



**Luxury State Capture and the Elite City:
Wealth, Space and the State in Three Offshore Financial Centres**

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Abstract

Monaco, Geneva and Luxembourg are three of the world's wealthiest cities, with large populations of wealth elites and economies that are dependent upon inward investment and the provision of offshore financial services. Using a qualitative approach combining interviews, photography and data on affective atmospheres, this project explored the distinctive characteristics of the ecosystems (politics, societies and economies) and urban development of these elite cities, aiming to better understand the local experiences of operating an offshore financial centre in the small state context. Key findings that emerged include a dependence on selectively permeable borders to facilitate inflows of wealth, assets and labour; informal networks of decision-makers operating within a culture of regulatory ambiguity; housing and infrastructural challenges, which reverberate across international borders; and criminality risks associated with offshore finance and luxury freeports. The research also charted spatial transformations taking place in these cities, with intensifying density and urban volume alongside the emergence of a series of spaces of elite exit. Examples include gated communities, necrotecture, private forms of transport infrastructure, planetary modifications and special economic zones perforating the territory of the city.

This research contributes to debates about state capture, or how private interests capture the policymaking apparatus of states, by connecting this concept to insights from critical luxury studies. The research proposes a form of 'luxury state capture' whereby the state, as an institutional container with the capacity to set regulations and shape markets, is captured by the interests of place-bound communities of wealth elites. In this framework, the state cultivates an aura of stealth and secrecy that maintain inflows of wealth. Crucially, this state capture is supported by local populations through a combination of ignorance about the presence and effects of wealth elites, attachment to traditional sources of identity, and promoting an association between economic growth and investment in generous welfare systems.

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Declaration

I, the author, confirm that the Thesis is my own work. I am aware of the University's Guidance on the Use of Unfair Means (www.sheffield.ac.uk/ssid/unfair-means). This work has not previously been presented for an award at this, or any other, university.

The following publication, written with my primary supervisor Professor Rowland Atkinson, was produced during the process of writing this Thesis and influenced my thinking:

Atkinson, R. and O'Farrell, L. (2024) 'Libertecture: a catalogue of libertarian spaces', *Urban Studies*, 61(14), pp.2686-2702.

Another publication that was also produced during my funded period helped to shape my thinking and is named below:

O'Farrell, L. (2024) 'Freeports' in Nadakavukaren Schefer, K. and Cottier, T. (eds.) *Elgar Encyclopedia of International Economic Law*. Cheltenham: Edward Elgar Publishing, DOI: 10.4337/9781800882324.freeports.nt

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1. Introduction

1.1 Research agenda

We know that wealth inequality is growing, both between and within states. We also know that wealth and poverty are intimately linked. As the proportion of resources held by wealth elites increases, the share held by the rest of society decreases, and the offshore finance industry based in tax havens is heavily implicated in this process (Piketty, 2014). Piketty's research identifies offshore finance as an engine that drives forward increases in wealth inequality. While this project is at its core a study of inequality, its focus is not on poverty. It instead seeks to develop our understanding of the places that facilitate global increases in wealth inequality. The project takes as its case studies three of the wealthiest cities in the world, which are all important offshore financial centres based in small states in Western Europe. The research charts the distinctive characteristics of the local ecosystems and urban development of these cities. It explores the impacts that wealth and the presence of wealth elites have upon the city. It also considers how those living and working in these spaces perceive the city and the physical changes taking place.

As a researcher, I have worked for the best part of a decade on policy research around inequality: marginalised groups in the UK, unhoused people in Ireland, migrant workers in Iceland, low-income families in Greece, social housing tenants in France, and so on. These projects helped me to better understand the processes that generate inequality and the lived experiences of poverty in different settings. My interest in inequality is rooted in my own experience of growing up in a low-income family, alongside a core belief that every human being has the right to a dignified standard of living, where their needs for flourishing are met. My motivation for this PhD was to explore the other half of the story of inequality, beyond that which I had encountered in my personal and professional life. Whereas poverty is framed as a challenge and attracts substantial research interest and policy interventions, wealth is more often

seen as something benign, normal or aspirational. Critical scholars have highlighted this fixation with poverty in the sociological literature, calling for more research on wealth elites and the impacts of wealth to balance our understanding of the dynamics of inequality (Kerr, 2021). Responding to this call, this project builds on a long-standing research interest in offshore tax havens developed over the course of my studies. In my master's thesis, I took a Gramscian approach to researching tax havens, attributing their emergence and perpetuation to state capture and the role of shared ideas circulating within elite networks. This project goes further, including by considering the local experiences of these settings through data collected in three case studies of elite cities, which host significant populations of wealth elites and record some of the world's highest GDP per capita figures.

Following a literature review in the first of the four years of my funding from the Economic and Social Research Council (ESRC), I selected case studies of three cities hosting the most prominent luxury freeports in Europe, alongside important offshore financial centres, which are also home to large populations of wealth elites and are regularly discussed in the literature on tax havens: Monaco, Luxembourg and Geneva. I was able to secure additional funding for language training, acquiring sufficient skills in French to analyse documents and conduct interviews in the cities. The project set out to understand the local impacts of state capture and how the presence of significant populations of wealth elites affects a city, including transformations in urban space. This contributes to the literature by adding to our understanding of the local experiences and perceptions of life in three elite cities, counted among the world's wealthiest cities, aspects of which continue to remain understudied despite their critical role in the global financial architecture. The project is a qualitative study, based on in-person fieldwork, interviews with professional actors, photography on site visits and gathering data on affective atmospheres.

The project is situated between urban studies and political economy, and is informed by work on political science, law, and art and design. It engages with research

on the urban spaces of wealth elites, studies of secretive offshore finance and regulatory ambiguity, and debates around the relationship between the state and the market. The project is a study of how state capture is locally manifested, including how it precipitates transformations of urban space, which is an underexplored topic in the literature. The concept of state capture has previously been applied to all three case studies, with researchers highlighting the important role that offshore finance and secrecy play in captured states (Palan et al., 2010; Murphy, 2017). State capture describes a situation whereby the interests of capital, and those who hold it, override the perceived interests of the state, to the extent that decision-making power is hollowed out, with regulators, legislators, commentators and even the population more broadly supporting the presence and defence of this capital (Shaxson, 2011; 2018). An influential study of state capture considered the tax haven of Jersey, demonstrating how local political, media and economic elites conflate their personal interests and those of the state with the priorities of the offshore finance industry (Hampton and Christensen, 1998, 2002; Sikka, 2003). As noted above, relatively little research has explored the local experience of state capture in many of the small states identified as tax havens. Even less research has been done on contexts in which these states also host significant populations of wealth elites. In addition, the spatial dimensions of state capture, such as the impacts of the offshore finance industry on urban development, or the effects upon urban space of hosting large populations of wealth elites, have yet to be systematically examined in these settings.

This project uses an approach that is both internationally comparative and locally focused, while advancing the literature through introducing the theoretical framework of luxury state capture. This builds upon debates around state capture through introducing the notion of stealth luxury, taken from critical luxury studies in the art and design literature. Research on stealth luxury is focused on the changes in how wealth elites consume luxury and signal social status, moving away from the traditional notion of Veblen effects, whereby conspicuous consumption is a means of overtly signalling status, towards the consumption of discretion, privacy and secrecy

(Roberts, 2018; 2020). It has been established in the literature that states seeking to attract wealth elites use strategies to convey a perception of glamour alongside perceptions of stability and discretion (Klieger, 2012; Urry, 2014). This research considers luxury state capture as a phenomenon within states that host large place-bound populations of wealth elites within a context of state capture by the offshore finance industry. Crucial in the case of luxury state capture is the support of the local population, including those who are not wealth elites. Here is where the notion of stealth comes into play; the presence of these elites and their wealth is perceived as beneficial for economic growth and thus investment in local welfare systems, rather than perceived as leading to problematic outcomes such as housing crises, infrastructural challenges, or distorting effects on transparency and political decision-making.

A series of social, economic and political effects connected to the presence and attraction of large populations of wealth elites, and provision of services to ensure secrecy for these elites' capital and assets, were observed in the three case study cities. An intense focus on competitiveness and attracting inflows of wealth is twinned with highly generous welfare systems in the cases, which interview participants universally wanted to defend. In interviewees' narratives, sustaining high rates of economic growth was seen as essential for maintaining the generosity of service provision. Participants in the three cities also discussed the phenomenon of regulatory ambiguity and the notion of a 'grey zone', whereby regulation – particularly with regards to the finance industry and luxury freeports – is deliberately unclear or vague on responsibilities and oversight. Another important theme that emerged in the research relates to transparency, with participants speaking about how decisions in these contexts are often made within informal networks of wealth elites and political actors, with a vulnerability to lobbying and the influence of personal social connections. As a function of the small state setting, layers of governance are fewer and the likelihood of direct connections with decision-makers is increased, which further enhances the risk of lobbying and informality.

A crucial dimension that emerged in the research is the role of nearby borders in these settings, which appeared to be semi-permeable: open to inflows of capital, assets and wealthy residents, but demarcating a separation between a place of work from a place of residence across the border for hundreds of thousands of cross-border workers. This issue has not yet been widely explored in the literature and points to a significant cross-border externality of the economic growth model of these three cases, with interview participants reporting housing and infrastructure crises precipitated in neighbouring countries owing to the insatiable demand for labour and economic growth in Monaco, Geneva and Luxembourg. The border relates closely to the major fault line of inequality that was uncovered in this research, which was not around perceptions of wealth inequality but instead related to citizenship status. Authorities in all three case studies appear to have taken efforts to restrict the access migrant workers have to citizenship and its associated benefits, such as political participation and access to welfare systems. However, participants did not seek to defend citizenship only on economic terms; this project found that professionals in these three cities demonstrated a strong emotional connection to local culture and identity, highlighting that processes of state capture are more complex than merely being motivated by economic factors, but instead appear to also relate to national pride, local identity and sense of community.

The research also identified urban manifestations of luxury state capture by charting the proliferation of spaces of elite exit across the territory of the city, from gated communities to private airports and necrotecture (Atkinson, 2018; Slobodian, 2023), as well as issues with urban density and infrastructure capacity that are associated with continuous urban and economic growth. The luxury freeports of these cities are highlighted as important spatial manifestations of stealth luxury and transformations in elite consumption and displays of power and wealth. In doing so, the project describes the ideas and values circulating among professional actors in these spaces, showing how these groups make sense of the ecosystems they operate within and demonstrating how parallel versions of these cities exist simultaneously. In

the words of a Monegasque urban planner interviewed for this project, these cities are not 'all bling-bling'. The three cities continue to be home to those working in 'ordinary' jobs and, like many cities, face challenges such as access to affordable housing, infrastructure provision, managing environmental impacts and facilitating the integration of migrant populations. At the same time, the opulent hotels of Monte Carlo, rows of Rolex boutiques along the shore of Lake Geneva and glittering skyscrapers of Luxembourg's Kirchberg district are a vision of capitalist success in three very wealthy cities. This research finds how this success relies upon informal networks of elite actors, businesses taking advantage of deliberately ambiguous regulations, and an army of low-income workers living across nearby borders who are effectively frozen out from acquiring equal citizenship in these cities. Exploring these cities from within means peeling away their aura of luxury, glamour and success, casting light on how these spaces operate and charting the negative externalities that emerge when an excess of wealth and wealth elites is concentrated in a small city.

1.2 Research aims and contribution

The aim of this research is to better understand the local experiences of state capture, and the effects of hosting an offshore finance centre and large populations of wealth elites in the small state setting. The research used interviews to gather insights on how professional actors in these cities make sense of the political, social and economic dimensions of these places; analysed policy and legal documents relevant to the regulation of the finance industry, luxury freeports and the acquisition of citizenship; and gathered photographs and data on affective atmospheres to uncover notable characteristics of the urban spaces of these cases. Following a review of the literature, three research questions were formulated to guide this project:

- 1. What is distinctive about the local political, economic and social ecosystems of these cities?**
- 2. How are urban spaces impacted by the demands and presence of wealth elites in these cities?**
- 3. What are the ideological implications of these ecosystems and spaces?**

The concept of an ecosystem is used here to refer to the political, economic and social characteristics of a place, as well as the networks of actors within it (Catala et al., 2023). This concept of the ecosystem is additionally informed by Marxist research on the state as an 'institutional container' (Shankar Jha, 2006), allowing a consideration of the role of international context and external pressures upon the local ecosystem. Shankar Jha (2006) describes the state as a container of markets and market interactions through its capacity to set regulations, but simultaneously notes a growing systemic instability as globalised capitalism challenges state power and legitimacy, but no global system of governance and regulating markets appears to be in sight. As such, against a backdrop of international flows of capital and powerful multinational corporations, there is a tension between the persistence of the state as an institutional container and the transnational nature of modern capitalism, which overwhelms the capacity of states to regulate or contain.

This research seeks to advance the existing literature, where there remain research gaps on the local experiences and perceptions of state capture, the offshore finance industry and the effects of hosting large populations of wealth elites. These three cities were chosen as cases that are relatively underexplored in the literature. In particular, very little research has been conducted on Monaco as a case study in urban studies or political economy. Luxembourg has also historically been understudied, and while there is now a growing body of research on this case, there remains scope to expand the literature through considering the local impacts of the offshore finance industry, and the presence of wealth elites and their associated capital flows, in this

context. Finally, while there is a diverse body of literature on Geneva and Switzerland more broadly, the concept of state capture has not been widely applied to this case within the context of an international comparative study.

There were practical reasons for choosing these three case studies, including their common language and geographical proximity that would make carrying out fieldwork more feasible, which was especially important as this project was planned during the COVID-19 pandemic, with uncertainty around international travel owing to intermittent lockdowns. The choice was also underpinned through reference to their common aspects, such as hosting important offshore financial centres, being the sites of the three most significant luxury freeports in Europe, and their large populations of wealth elites which makes them unusual when compared to many other small state tax havens. Nevertheless, there are distinctions with regards to population and geographic sizes, their economies, and their political decision-making processes and international relations, creating points of difference upon which to make comparisons. The approach to case study selection was thus in line with recommendations in the research methods literature, which suggests choosing cases that share background characteristics but have sufficient points of distinction to make comparisons valuable (Berg-Schlosser and De Meur, 2009).

To conclude, this research set out to understand the local impacts of state capture and a political economic model observed across the three case study cities. This model is predicated upon maintaining inward flows of capital, assets and labour; defending their prominent offshore financial centres and luxury freeports; and a commitment to ensuring secrecy and discretion for the wealth elites making use of these services, as evidenced through strict regulations on secrecy and the high scores these cases receive for financial secrecy on the relevant index (Tax Justice Network, 2022). Morton (2010) notes that local impacts and experiences are often overlooked in political economy research. Through developing an understanding of the local ecosystems – their political, social and economic dimensions – this project sought to

contribute towards the literature through developing a better understanding of how state capture is locally expressed and understood in these cases. In addition, the research highlights the spatial expression of these issues, building our understanding of how urban space is impacted and transformed by the demands and presence of wealth elites and their associated flows of capital. Many studies of offshore finance and secrecy jurisdictions consider case studies where relatively few wealth elites are physically based. These case studies host significant place-bound communities of wealth elites, making it possible to explore the effects this group has upon urban development and the local ecosystems of these places.

1.3 Thesis structure

The thesis is divided into eight chapters. Chapter One is the introduction to the project, giving an overview of the motivations and aspirations of this research, also providing a summary of its theoretical and methodological foundations.

Chapter Two is the literature review, which provides a state-of-the-art review of the existing literature that is relevant to this project. The chapter can be thought of as the 'recipe' for luxury state capture and is broken up into four sections. The first relates to research question one, on the local political, economic and social ecosystems of the case studies. The second section relates to research question two, bringing together research on elite urban spaces. The third section introduces ideas around wealth and the state. The final section of the literature review introduces the theoretical framework of this study, luxury state capture, which brings together these strands of research, and in doing so advances the literature on state capture through incorporating insights on luxury, discretion and stealth drawn from critical luxury studies.

Chapter Three describes the methodology of this project in detail, highlighting its qualitative interpretivist approach. The chapter opens with an overview of the three research questions that guided the project before introducing the research design,

case study selection process, issues around epistemology, ontology and researcher positionality, and the project's ethics. A substantial section introduces the process of sampling interview participants and methods for conducting interviews with professionals. The chapter describes the data collection process beyond interviewing, including the use of photography and data on affective atmospheres. The chapter finishes by describing the approach to data analysis, explaining how qualitative data from interviews, photographs and field notes on affective atmospheres were analysed.

Chapter Four provides context on each of the three case studies to better situate this research. Overviews of the histories, geographies, populations, economies and political systems of Geneva, Luxembourg and Monaco are presented, followed by document analysis of two important areas of legislation: firstly, regulations on citizenship and residency, and secondly, regulations on finance and luxury freeports. The relevance for doing so is that the three cities are characterised by extremely large cross-border workforces and strict processes for acquiring citizenship, and function as offshore finance centres with the three most prominent luxury freeports in Europe. The chapter closes by highlighting the key data of the cases, also noting issues regarding scale and different institutional frameworks that the analysis must navigate.

Chapter Five is the first of the three empirical chapters of the thesis. It maps onto the first research question, exploring the distinctive features of the local political, economic and social ecosystems of the cities. Four thematic areas are presented in this chapter, which are linked to the theoretical framework of luxury state capture. The first area relates to local and cross-border externalities that emerged in the data analysis, noting that political economy research has not yet fully explored the role of borders, and particularly the cross-border implications of development pressures, housing shortages, the rights of low-income workers and infrastructural challenges. The second area presents findings relating to integration and inequality, again with reference to the social position of cross-border foreign workers, but also of foreign workers living in the three cities. Such categories were seen as major inequality fault lines by

interviewees. The third area relates to transparency, secrecy and decision-making processes, and in particular how interview participants spoke about lobbying, informal social contacts between elites and the crucial role of trust within elite networks. The fourth area is security perceptions and criminality risks, with a particular focus on luxury freeports.

Chapter Six is the second empirical chapter and is devoted to themes around urban space, mapping onto the second research question on the notable features of the urban spaces in and around these cities. This chapter makes particular use of photography and data on affective atmospheres and is structured into three thematic areas, highlighting spatial manifestations of the theoretical framework of luxury state capture. The first area is themed around density and urban growth, charting the spatial impacts of development pressure in these three cities. The second area explores spaces of elite exit, informed by Slobodian's (2023) work on this topic and an earlier project mapping 'libertecture', or right-libertarian architecture, in elite settings (Atkinson and O'Farrell, 2024). Examples such as residential exits, portal spaces and necrotecture, or dead urban spaces given over to investment imperatives (Atkinson, 2018), are presented here. Data from Monaco is also used to suggest an additional form for the libertecture typology, introducing planetary modification as a form of urban development in the city-state and thus advancing the literature on the urban forms of elite exit. The third area focuses on freeports as spaces of stealth luxury, building on Roberts' (2020) research on this issue.

Chapter Seven is the third empirical chapter and is connected to the third research question, concerned with the ideological implications of these ecosystems and spaces. As such, it explores ideas circulating among the professional actors interviewed in these settings, along with using data from photography and notes on affective atmospheres to consider other local dimensions of luxury state capture. The chapter is structured into three thematic areas. The first area focuses on narratives around competitiveness and economic growth. The second area explores narratives

on regulatory ambiguity and confusion. As an investigative journalist in Geneva put it, Swiss regulation 'is so complicated that you don't know what is the grey zone and what is legal'. This 'grey zone' and a lack of clarity is shown to be an important aspect of doing business in these three cases. Finally, the third area of findings, relating to place-based pride and identity, is introduced. This demonstrates the kinds of emotional connections that interviewees felt to these cities.

Chapter Eight concludes the thesis. The ten key findings across the three empirical chapters are summarised before the main contributions of this research are discussed. These are grouped into empirical, theoretical, methodological and policy contributions, highlighting the value of this research to diverse bodies of literature and practice. Finally, avenues for future research are discussed, demonstrating the potential to build upon this project and the scope for applying the theoretical framework of luxury state capture to other research projects.

Following the main body of the thesis, the Appendices contain the interview discussion guides in English and French, as well as the participant information sheet produced for this project. Finally, the Bibliography lists the literature that was used while conducting this research.

2. Literature Review

2.1 Introduction

The purpose of this chapter is to provide a state-of-the-art review of literature drawing from political economy and political science, urban studies, and art and design to contextualise the research questions and support the subsequent analysis of qualitative data captured during fieldwork. The review builds a comprehensive understanding of research relevant to the aims of this project, with the chapter being divided into three main sections, each of which gathers literature that is organised thematically according to the aims of the three research questions. This is then followed by a final section introducing the theoretical framework of luxury state capture, upon which the analysis of empirical data is based. In short, the literature review brings together research on the key social, political, economic and urban dimensions of the theoretical framework of luxury state capture that is developed here.

2.2 Small states, offshore finance and state capture

2.2.1 Tax havens and offshore finance

The term 'tax haven' is one of several (another being 'secrecy jurisdiction') that are used to describe states which critics argue create conduits for tax avoidance through favourable taxation laws for the offshore finance industry and affording secrecy to businesses registered in the territory, protecting them from external scrutiny and tax obligations (Brittain-Catlin, 2006; Murphy, 2009; Palan et al., 2010; Shaxson, 2011). The offshore finance industry here refers to the provision of financial services to those who are not residents of the state (Platt, 2015; Murphy, 2017). The model emerged in the early twentieth century in continental Europe and has since become an international phenomenon (Sharman, 2010). Owing to secrecy around the offshore finance industry,

accurate figures on the value of capital held offshore in tax havens do not exist (Beaverstock and Hall, 2016). Nevertheless, researchers estimate that up to one-third of global wealth and over a quarter of global profits of multinational corporations are declared in states described as tax havens (Sharman, 2012; Cobham, 2017). Among other figures that exist, Henry's (2012) estimate for the value of wealth held offshore is \$32 trillion. According to Shaxson (2011, p.11), the offshore finance industry 'is, at its heart, about artificially manipulating paper trails of money across borders' in search of exemptions from taxation and regulation. The offshore finance industry operates on principles of secrecy, discretion and the exploitation of differences and gaps in regulation between states (Murphy, 2017). Linked to this, Picciotto's (1999) research established the notion of offshore as a space of 'legal fiction', in which artificial structures and transactions are used to create a paper trail, routing global flows of capital to benefit from the cloak of secrecy and confidentiality that states may grant to businesses operating within them, with the aim of avoiding taxes on corporate accounts and private wealth in higher-tax jurisdictions.

A key feature of tax havens is that many are small states that host very large offshore financial services industries relative to the size of their economies, with these states therefore seeking to isolate the offshore sector from their domestic economies (Shaxson, 2011). There is a core group of states included in most lists of tax havens, with Monaco, Luxembourg and Switzerland regularly featuring on such lists (see Palan et al., 2010 or Murphy, 2017). Perceptions of these states are important: Shaxson's (2011) work highlights that perceptions of stability, security and propriety are important in the operation of the offshore tax haven model. The literature also recognises that no two tax havens are the same: states may not directly compete but instead focus on different aspects of financial services, developing niches and comparative advantages relative to each other (Zucman, 2015). Researchers highlight that tax havens owe their existence to the demand for tax avoidance schemes from multinational corporations and wealth elites, coupled with lax corporate oversight from more powerful states with larger economies and greater capacity for regulation

(Maurer, 2008). While Zucman (2015, p.90) argues in favour of abolishing tax havens such as Luxembourg – that is, stripping them of statehood and hence regulatory and legal sovereignty – this does not fully locate agency with regards to tax evasion, in that it tackles supply but not demand. As Harrington (2016) notes, the offices of multinational firms in centres of global economic power are where decisions are made and demand originates for the provision of offshore financial services. For example, researchers have demonstrated that offshore financial centres such as Luxembourg principally provide 'back office' functions for major centres such as London, with decision-makers and much of the demand for offshore financial services flowing from the major centres and clients using service providers there (Wójcik et al., 2022). Likewise, Platt argues that any account of offshore finance must include the role of decision-makers in cities such as London and New York, as key nodes of global banking that provide access to offshore finance for clients (2015, p.53).

Palan (2006) argues that the offshore finance industry has created a market in sovereignty, with states marketing their capacity to write laws and regulations as a commercial asset, which has the side effect of undermining the legitimacy of state sovereignty. Related to this, Murphy (2009) chooses not to locate the offshore world within states but refers instead to offshore as the 'secrecy world', a space that moves and flows as regulations change. Rather than being situated within states themselves, in this reading offshore floats in the spaces between regulations in what Murphy (2009) refers to as the 'unregulated ether'. Offshore finance can therefore be better understood as making use of 'booking centres', legally recording transactions and contractual relationships in jurisdictions of convenience for the purpose of avoiding taxation and burdensome regulation, with profits subsequently moving through layers of shell companies in tax havens in search of the greatest possible secrecy and avoidance of tax burdens (Palan et al., 2010). A similar conceptualisation of the spatial dimension of offshore finance comes from Bullough (2018), who conceives of 'Moneyland' as a space beyond states: a borderless territory in which capital flows to where it can find maximum secrecy and protection from taxation.

Scholars highlight that attempting to tackle offshore finance would require not only the collective agreement of the governments of states, but also action on professional operators. This includes lawyers, accountants and consultancy firms, many of whom are based not in the Cayman Islands or Nauru, but instead on Wall Street and in the City of London (Nelen and Lankhorst, 2008; Palan et al., 2010; Staples, 2012). Of relevance here are the social connections, shared values and assumptions about what constitutes common sense that are observed between actors in major accounting and consultancy firms, national governments, and multinational corporations, to the extent that some researchers suggest that, in some cases, governments are essentially reliant on the services of a small number of firms, most notably McKinsey, BCG, PwC, Deloitte, KPMG, EY and Bain & Company (Palan et al., 2010; Mazzucato and Collington, 2023). To take one example, research shows that McKinsey has advised virtually every major pharmaceutical company on its accounting practices – as well as many government agencies tasked with regulating these companies, challenging the notion that management consultancy firms are objective sources of expertise (Bogdanich and Forsythe, 2022).

The importance of the role of professional actors in the offshore finance industry has been repeatedly highlighted by Sikka. For example, Sikka writes about Jersey's legislature as enabling major accountancy firms to write their own laws on auditor liability (2003, p.268). Analysis of the strategies and tactics used by large accountancy firms to attract new clients finds evidence of encouraging the development of schemes to avoid corporate, sales and payroll taxes (Sikka and Hampton, 2005). Individual finance and legal professionals play a 'creative role' in devising new structures for transactions to minimise tax and regulatory burdens – a creativity for which these professionals receive significant remuneration (Sikka, 2003, p.369). Earlier research on anti-money laundering legislation highlighted the paradox whereby accountancy firms that effectively enable money laundering are expected to override their commercial concerns to uphold the law, with a 'deeply ingrained indifference' among regulators about this paradox, suggesting 'an institutionalized

disinclination' to address this issue (Mitchell et al., 1998, p.591). As such, the research finds a meaningful risk of legal and accountancy firms having a conflict of interest between profitability and legislation, but also that regulators themselves may be captured by the interests of capital and maintaining economic growth, and thus be disinclined to properly enforce or enhance regulations (Mitchell et al., 1998; Sikka and Willmott, 2013). Atkinson et al. (2017b) coin the term 'butler class of politicians' to describe the captured politics of a regime in which the presence and needs of wealth elites are elevated into being the core priorities of policymaking. This framing highlights a servile relationship between political and regulatory actors, and wealth elites and multinational corporations that make use of the offshore finance industries provided in many states described as tax havens. Sikka lists Luxembourg, Monaco and Switzerland as key examples of states captured by offshore finance but notes they have emerged through different pathways, with the Swiss model of facilitating banking secrecy being emulated by Luxembourg, whereas Monaco more obviously trades its sovereignty to attract and shelter flows of 'hot money', or capital that quickly and regularly moves between markets in search of the most favourable conditions (2003, p.368).

2.2.2 State capture and aura

The exact definition of a small state is debated. The World Bank uses a population threshold of 1.5 million people, whereas the UN Forum of Small States defines small states as those with fewer than 10 million people, and some researchers argue that not only population, but also geographical size and resources are important factors in defining a small state (Ó Súilleabháin, 2014, p.3). For instance, Maass (2009) describes a small state as one comprising less than 1 per cent of total world GNP. Using the UN definition, all three case studies of this project can be considered small states, although Monaco can be considered a micronation, a subcategory of small states with populations below 500,000 (Ó Súilleabháin, 2014, p.3). Many states described as tax

havens are small states owing to their small populations and many are also former colonies. Researchers argue that this is not incidental but is rather a set of conditions in which state capture becomes more likely. This is because small populations, small land areas and a lack of natural resources results in a lack of scope for the development of complex industrial sectors, or the capacity for training and employing a large skilled population (Platt, 2015, p.56). This creates a conundrum for governments of how to attract investment and create economic growth.

Research on small states talks about the concept of 'shelter', highlighting that small states compensate for their inherent weaknesses by seeking economic, political and social shelter from large states and international organisations (Thorhallsson and Steinsson, 2018). Applying this concept highlights that there is a mixture of motivation, compulsion and ideological alignment between both small and large states to engage in what are perceived to be mutually beneficial relationships. Linked to this, attracting investment from the offshore finance industry and charging small fees for company registrations and transactions have become strategies to bolster tax revenues and fund basic services in many small state contexts, where structural barriers to development are high and thus the need for shelter is greatest (Picciotto, 1999; Sharman, 2010). As Hampton and Christensen's work on Jersey established (1998, 2002), the small state context and the search for economic development results in risks when governments opt to create offshore financial centres but have a structural lack of skilled local professionals for regulating the industry, increasing the risk of state capture. Small local populations also increase the likelihood of informal social connections between regulators and market actors, potentially impacting the formulation and enforcement of regulation (Shaxson, 2018). Additional risks relate to the instability of basing an economy on offshore finance, given that decision-makers in the industry are usually based outside the small state:

'...island hosts of offshore financial centres face a volatile and increasingly unpredictable international context over which they have neither influence

nor control. Their destinies therefore depend to a considerable extent upon decisions that will be taken in international fora at which they are not directly represented.' (Hampton and Christensen, 2002, p.1657)

The issue of informal relationships between regulators and market actors is not unique to the small state context. However, researchers have focused on the specific aspects of small states that create an enhanced risk of state capture. Small populations typically result in correspondingly limited numbers of skilled regulators, and a lack of natural resources or diversified industrial sectors on which to base the economy leads to overreliance on sectors that are perceived as successful by local actors (Shaxson, 2011). The result is that, in many small state offshore financial centres, 'local authorities often serve as rubber stamps for laws and regulations proposed by offshore private-sector actors' (Shaxson, 2018, p.101). Indeed, Hampton and Christensen's (1998, p.1635) study of Jersey found that the local government, media and economic elites of the island so strongly defended the offshore finance industry from external scrutiny that it could be described as a captured state, prioritising the interests of firms and individuals using the offshore finance industry above all else. At the same time, again in the case of Jersey, researchers argue that the 'veneer of liberal democracy helps to gloss over' the state's capture, making it more palatable to local populations (Sikka, 2003, p.369).

State capture thus describes a situation whereby a state's sovereignty has been captured by the interests of the capital within it. This hollowing out of state sovereignty among a set of small states, within an international system formally predicated on the sovereign equality of states, presents challenges to the legitimacy of the state-led international order. As Palan et al. argue, the principle of sovereign equality that gives all states the same legally equal rights is undermined by the emergence of captured states functioning as tax havens, whose existence is 'one of the principal causes of financial instability' in the global economy, given that these captured states can 'integrate themselves into the world on terms they have, at least in part, been able to set for themselves' (2010, p.4). There are several main forms of capture that appear in

the literature. This includes policy capture, whereby decisions over laws and policies are consistently directed towards specific rather than public interests, and 'narrow interest groups directly shape the future legal and regulatory environment, making the most out of loopholes and grey areas offering room for discretion' (OECD, 2017, p.23). This same OECD report describes state capture as a process whereby 'central government is captured at a large scale, including with regard to parliamentary law making', highlighting that the chief dynamic is legal and illegal means by which private interests influence public actors to obtain legal and regulatory advantages (2017, p.25). Another form of capture explored in the literature is regulatory capture, in which an individual regulator, regulatory agency or entire regulatory process is captured by private actors (OECD, 2017, p.25). For example, Dal Bó (2006) explores the regulatory capture process with regards to utility regulation, also introducing examples of foreign, monetary and R&D policies. Such research emphasises directly illegal aspects, such as bribery, but also the generally legal 'revolving door' phenomenon by which offers of 'lucrative post-agency employment' shape regulators' decisions, as does the likelihood of regulatory agencies being staffed by those with industry backgrounds, who tend to favour the interests of said industry when working as regulators (Dal Bó, 2006, p.204).

A further feature of states that are closely linked to the offshore finance industry is the notion of aura. In an important work on luxury, Roberts (2020) linked the art industry, freeports and elite consumption with the concept of aura, a term that captures the sense of 'quality, cultural heritage, creativity, craftsmanship, and the highest level of service' found in businesses and states providing services to wealth elites. In a linked concept, Urry (2014, p.227) refers to the importance of the 'façade' of states such as Switzerland, which construct a 'physical, virtual and metaphorical façade of safety, secrecy, probity and privacy' in their provision of services to appeal to wealth elites and attract inward investment. This notion of a façade is suggestive of a manufactured image that is presented externally to propagate a more positive perception of the state. These two concepts of façade and aura found in the literature explore similar themes around the perceptions about places and services, and how

these perceptions can be managed in ways that present a flattering image of the state, particularly when seeking to attract wealth elites. As noted below, several prominent tax havens cultivate an aura or façade of glamour, secrecy and discretion while marketing their sovereignty to attract capital flows. This is akin to firms selling luxury goods such as haute couture, which market the image of an exclusive, private and glamorous lifestyle available only to their customers who are 'in the know', or part of an exclusive and select in-group (Armitage and Roberts, 2016).

To give an example of the importance of an aura of luxury, research on Monaco shows how the monarchs of the city-state have actively cultivated the offshore finance industry alongside glamorous events and the performing and visual arts. These include the *Ballet Russe de Monte-Carlo*, the *Opéra de Monte-Carlo*, the Monte-Carlo Philharmonic Orchestra, the Monaco International Film Festival and theatre festivals such as the *Mondial du Théâtre*, international sports events in yachting, tennis and Formula One, and promoting the Hollywood associations of the state through the late Princess Grace Kelly, demonstrating the role that the arts and media play in the development of an aura of glamour intended to attract elites and their wealth (Klieger, 2012). Further adding evidence that some states actively seek to attract elites through developing their reputation for the provision of both luxury and secrecy comes from research in Switzerland, which shows that authorities strive to maintain and reinforce banking secrecy laws, even in the face of pressure from powerful states, so as to guard the interests of wealth elites who trust Swiss banks with their capital (Guex, 2000).

Even away from states described as tax havens or included in studies of state capture, researchers find that the aura of a place is an important factor in attracting elites and creating a place-bound community of these elites over time. Holmqvist's study of the wealthy Stockholm suburb of Djursholm describes the 'consecration' of elites in 'leader communities', or places in which elites choose to live and socialise but also prescribe a set of morals and values for the rest of society, with residents thus becoming 'objects of authority, power and influence, with the result that others learn

that "they are not just anyone," but "elite"" (2017, p.xvii). Holmqvist's ethnographic research was conducted in the suburb, finding that the aura of Djursholm comes not from its grand houses, green spaces, exemplary services or financial capital, 'but rather the community's ability to create an almost spiritual differentiation from the world around it... which gives them the sparkle of social and moral elevation' (2017, p.34). That is to say that an aura of economic success and moral probity is associated with the aesthetics and lifestyles of the inhabitants of Djursholm. Indeed, the research finds that even those working in shops or providing public services in the neighbourhood buy into, or help to construct, the aura of Djursholm as a special place imbued with symbolic capital (Holmqvist, 2017, p.163). As such, this suggests that even those who are not themselves wealth elites are instrumental in constructing and perpetuating the specific aura of a place in which elites gather.

The concepts of luxury, aura and façade demonstrate that wealth elites, rather than being fully deterritorialised, continue to congregate, socialise with each other and do business in a small number of states or spaces which are associated with luxury and glamour alongside probity and privacy (Beaverstock et al., 2004; Hay and Muller, 2011). Appealing to international wealth elites requires local actors to fulfil promises related to luxury, discretion, secrecy and the availability of social networks of other elite individuals within that space. The importance of secrecy in this setting is therefore inverse to the value placed on transparency.

2.2.3 Transparency and secrecy

Studies show that reputation and trust between market actors and regulators are key elements in the economic success of offshore financial centres (Cobb, 1999). Cobb's (1999, p.1887) work on corporate networks emphasises that corporate, local, personal and client networks are all vital in this regard. The roles of informal networks and shared values are particularly important with regards to how regulation is formulated and enforced. As Donaghy (2002) demonstrates, decision-making and regulation in

small states is typically based on informal networks and social ties, with policymakers and market actors sharing an idea of 'common sense' with regards to regulating the sector and collaboratively formulating policy. Supporting this notion, research on Luxembourg highlights that the small size of the state 'renders a situation in which everyone knows each other, and many residents know their mayor or chamber representative personally', creating unusually close distances between actors, and hence a risk of close informal relationships (Affolderbach and Carr, 2016, p.950). The importance of social networks and informal connections was emphasised in work on Jersey's offshore financial centre, which found that regulators and market actors so deeply share common ideas about the economy that, for local political and media figures, 'if the offshore financial centre is criticised, then this is somehow an attack on the island itself' (Hampton and Christensen, 1998, p.1635). In such contexts where decisions are influenced by informal networks away from external scrutiny, the degree of transparency is of course lower than where this is not the case.

The networks of practitioners identified above do not only include those working in finance or regulating the industry. Research by Harrington (2016) noted the personal relationships between those working in the wealth management sector and their clients, with wealth managers often having life-long relationships and a degree of intimacy that is unusual in other professional settings, with a need to know everything to better advise on preserving and investing wealth. As such, as much as the offshore finance sector depends on trusting relationships between market actors, and market actors with regulators, several other sectors of the finance industry are also based upon close relationships between market actors and their clients (Beaverstock et al., 2011). Such personal relationships create a challenge to implementing impartial regulations and achieving transparency.

A further challenge to transparency in the offshore finance industry is the use of 'shell companies', which are examples of the legal fictions described by Picciotto (1999). While not illegal, researchers note that shell companies are often set up for the

purpose of aggressive tax planning, or to register profits made in one jurisdiction in another jurisdiction with more favourable regulations (Kiendl Krišto and Thirion, 2018). Roberts (2020) argues that the ultimate effect of shell companies is to shield the true owner or beneficiary of an asset for the purpose of secrecy. In light of the risk of shell companies registered offshore creating structures that deliberately impede transparency and may facilitate smuggling, tax avoidance and corruption, researchers and campaigners recommend that governments establish public registries of beneficial ownership information, although relatively headway has been made on this issue to date (Cobham and Gibson, 2016; Salomon and Spanjers, 2017).

2.2.4 Luxury freeports as a novel form of offshore

Freeport facilities are a type of special economic zone (SEZ), which are areas in which different economic regulations exist compared to the rest of the territory of the state that hosts the zone (UNCTAD, 2019). With more than 5,400 SEZs across the globe, the number of such zones is expected to continue increasing, owing to their embeddedness in supply chains and logistical networks of internationalised businesses (Rowbotham, 2022). A working definition for freeports is as follows:

'Freeports are a type of special economic zone (SEZ) in which the normally applicable tax and customs regulations are relaxed. There are various forms of freeport, differentiated by local legal frameworks, government policy objectives, and the existence (and type) of additional incentives offered to businesses operating within them. Freeports may comprise single discrete physical facilities or cover large geographical areas.' (O'Farrell, 2024)

Analysis of these facilities is complicated by the fact that definitions, policy aspirations and regulatory frameworks of freeports, as well as SEZs in general, vary greatly between jurisdictions. As such, a challenge to studying freeports in a comparative approach is that there is not a single agreed definition of freeport facilities, their

regulations, policy frameworks and intended functions. However, there are common features of freeports that can be highlighted. For instance, researchers note that freeport facilities are all designated spaces in which certain regulations are relaxed and normal customs rules do not apply (Ditzig et al., 2016). SEZs such as freeports are shown to be implicated in social harms including illicit trade and environmental pollution (Hall et al., 2022). The historical and contemporary erosion of workers' rights within SEZs has also been well documented (Neveling, 2015a; 2015b). Additional negative externalities are associated with the storage and trade of valuable objects inside freeports, which creates possibilities for tax and sanctions evasion, smuggling, trade in stolen art and looted cultural artefacts, counterfeiting, money laundering and terrorist financing (Helgadóttir, 2020; Gilmour, 2021).

A particular incarnation of the freeport under consideration in this project is the 'luxury freeport', which is a site for the storage and trade of art, artefacts, jewels, precious metals and stones, vintage cars, fine wine and other high-value objects (Helgadóttir, 2020). Art is unusual for being one of the last few remaining essentially unregulated markets and is one in which asset values are highly subjective (Zarobell, 2017). The art market has an estimated value of \$60 billion, a value that is seeing ongoing growth owing to the perception that art is a safe store of value in periods of economic instability (Zarobell, 2020b). The most prominent luxury freeport sites in Europe have been identified as those in Geneva, Luxembourg and Monaco (Post and Calvão, 2020). The reputation or 'aura' of states that host luxury freeports appears to be an important consideration in the operation of these facilities. According to Yves Bouvier, a major shareholder in several of the world's largest luxury freeports, such facilities must be located in countries that are perceived as politically, economically and socially stable, alongside holding a triple-A credit rating, low crime rates and global logistical connections, being 'part of an airport structure, served by direct cargo flights to all of the major destinations of the art market' (Zarobell, 2020a). Graham and Marvin (2001) discuss SEZs alongside other sites, such as airports, seaports and train stations, as key nodes or 'premium networked spaces'. These spaces are designed for

use by wealthy individuals and are 'increasingly separated and partitioned from surrounding spaces of intensifying marginality', highlighting facilities such as freeports as part of an elite secessionary tendency as new infrastructures prioritising powerful users emerge, eroding comprehensive urban planning and universal public service provision in the process (Graham and Marvin, 2001, p.382).

Helgadóttir (2019; 2021) conceptualises the luxury freeport as a novel form of offshore, arguing that these sites have grown in popularity due to growing scrutiny and the threat of regulatory crackdowns on tax havens, accompanied by a shift among wealth elites towards purchasing tangible assets such as art and gold as tradeable, portable and durable stores of value during periods of inflation and instability. Studies suggest that legislative pressure on tax havens, alongside growing systemic instability and issues such as inflation, are encouraging wealth elites to convert (at least some) of their capital held offshore into assets stored offshore in luxury freeports (Weeks, 2020; Helgadóttir, 2021). The significance of this is that potential risks have been associated with luxury freeports. Researchers highlight the potential for the smuggling of illegal goods, evidence of trade-based money laundering and vulnerability to facilitation of terrorist financing taking in freeports (Financial Action Task Force, 2010; 2013; Bregman, 2019). A report noted risks relating to the circumvention of sanctions in freeports, commenting on luxury freeports as follows:

'...the fact that goods can be stored in free zones with no time limit entails risks related to taxation and money laundering, which is particularly relevant to high-value goods, such as the ones stored in freeports, because they can constantly increase their value and change owners with no taxes paid.'
(European Commission, 2023)

Luxury freeports are key sites for the assetisation of the objects stored inside them, which refers to the conversion of objects into tradeable assets from which revenue streams can be derived, either in the present or in the future (Birch and Muniesa, 2020). These revenue streams can be shared, aggregated or speculated upon by asset owners,

driving processes of enclosure to capitalise upon further resources, giving spatial expression to financial flows (Birch and Ward, 2022). Researchers contend that assetisation has created 'a new logic of economic inequality' in which class relations have been transformed, with wealth elites moving away from employment as their primary source of income and towards the ownership and exploitation of assets, which offer a long-term return on initial investment (Adkins et al., 2020). Assetisation is associated with significant increases in wealth inequality between those who own assets and those who do not. The appeal of using luxury freeports for the storage and trade of objects transformed into assets is the ability to avoid taxation, such as sales tax and import duty, with goods held in the facilities considered to be 'in transit'. This classification makes it possible to transfer objects to jurisdictions with lower income, transfer and/or welfare taxes, or instead transfer ownership of an object held inside a freeport to an irrevocable trust registered in a tax haven, which can then protect the valuable object against potential future financial demands such as divorce settlements or inheritance taxes (Schwarzkopf and Backsell, 2020).

Art and antiquities are important examples of assetisation in this context, and these assets may in turn may pose risks of criminality. As the Swiss thinktank Foraus notes, 'the art and antiquities market is often described as 'grey', as licit and illicit activities often mix', creating opportunities for the laundering of stolen items, sources of funding for the illegal arms trade and terrorist financing, and the trafficking of looted cultural artefacts, with these risks being particularly acute within freeports (Lenz, 2019). According to a report from UNESCO (2016, p.2), there is 'a high risk that free ports are used by art dealers to store works of art from thefts, lootings or illicit excavations for resale in the black market when things have cooled down, even many years later'. For instance, there are examples of art stolen from Jewish collectors by the Nazis that have emerged in Geneva Freeport (Ulph and Smith, 2012; Milosch and Pearce, 2019). The Geneva Freeport sites account for 48% of Swiss art storage capacity in freeports and contain up to 1.2 million pieces (Lenz, 2019). However, there are very

few controls; just 118 checks per year in Geneva were referenced in a report by the Swiss Federal Audit Office (Contrôle Fédéral des Finances, 2014).

Revenue from organised crime networks can be legitimised through money laundering operations, with tax havens playing an essential role in the globalisation of crime through enabling the reinvestment of money from illegal sources into lawful activities (Nordstrom, 2000; Sabatino, 2020). Particularly implicated in money laundering and terrorist financing are small, valuable objects that are easily smuggled across borders, most notably diamonds, gold and other precious stones (Korver, 2018). Much like art, diamonds are an atypical market, characterised by confidential transactions, word-of-mouth agreements and extensive use of SEZs such as freeports (Financial Action Task Force, 2013). With regards to art and other collectables in luxury freeports, another major issue is trafficking of looted cultural artefacts, such as objects plundered from conflict zones, and 'blood diamonds' that are mined in war zones and sold by armed groups, warlords and terrorists. To take the case of looted artefacts, the lack of oversight of the industry means there is difficulty in quantifying the scale of the problem. Nevertheless, the trafficking of looted antiquities appears to be a multi-billion-dollar industry fuelled by demand from wealth elites, with cultural artefacts being in particularly high demand among collectors (Dietzler, 2013).

Earlier research suggested that the exact pathways by which looted artefacts are smuggled across borders have not yet been comprehensively profiled (Tsirogiannis, 2013). It would now appear that freeports are an important link in the chain. Sadowski (2021) found that trade in looted Cambodian artefacts was facilitated through freeports, using falsified customs declarations and moving objects between facilities to generate a paper trail, which in turn increases the perception of legitimacy and hence the sale value of objects. However, even in the case of legally acquired objects, a crucial issue is that art remains an unregulated market, aside from some requirements for insurance and evidence of provenance when using third-party sellers such as auction houses. The market in art and antiquities is an industry in which prices

are arbitrarily set; pieces are worth what buyers will pay, making pieces highly susceptible to both money laundering by criminal groups and sanctions evasion by blacklisted individuals or states (Gerlis, 2014; Adam, 2014, 2017). Moreover, much like wealth management, the market has traditionally operated on relationships of discretion and privacy. This focus on privacy among collectors and dealers is increasingly viewed with suspicion for undermining transparency, creating spaces at risk of trafficking, money laundering and capacity for organised crime groups to move money across borders (Yates and Rausch, 2022). A stream of revelations from inside freeports, along leaks of data from offshore companies, provides evidence on everything from forgeries, the trade of artworks of uncertain provenance, tax evasion and fraud in these facilities (Adam, 2014; 2017). As a response, new regulations, surveillance mechanisms and control apparatuses that purport to have the power to impose compliance on the art market have been introduced. These efforts have been criticised as based upon unclear aims, with no coherent strategy to root out informality in the trade (Østbø Kuldova et al., 2024).

A survey by UBS of 2,569 high-net-worth clients of the firm found that 66% had increased their interest in buying art during the COVID-19 pandemic, with a majority planning to purchase additional artworks in the near future (McAndrew, 2021). A more recent iteration of the survey found continued robust demand for most forms of art, despite turbulence in the broader economy, confirming other research demonstrating ongoing high demand for 'blue chip' works by the most famous names (Picinati di Torcello, 2012; Deloitte, 2021; McAndrew, 2023). The Deloitte survey also noted very high levels of optimism among art collectors, who anticipate further growth in asset values in coming years, based on current trends. The potential for perpetual, tax-free storage of high-value items in secure luxury freeport facilities, many of which also feature showrooms and galleries, has thus interacted with the distinctive unregulated nature of the art market to drive substantial growth in the sale of art within freeports for the purpose of storing wealth. This forms part of strategies by wealth elites (or

professionals working on behalf of these elites) to minimise their tax obligations (Roberts, 2020; Post and Calvão 2020).

Material from the Panama Papers suggests the systematic use of shell companies based in tax havens to conceal the ownership of assets (Obermayer and Obermaier, 2016). Research by Adam (2017) highlights how shell company structures have concealed art market transactions and information on ownership from scrutiny. Likewise, researchers argue that a key driver of demand for the service of storage and trade of art and other high-value objects within luxury freeports is the demand among wealth elites to minimise tax obligations and transparency around their wealth (Schwarzkopf and Backsell, 2020). Further research is needed to identify the extent of the links between freeports and offshore shell companies, which is an area with very little data and evidence on which to base regulations. However, it ultimately appears that the multiplying and intensifying transnational connections of spaces such as freeports, and their functions that intersect across global logistical, trade and development networks, are well beyond the political or democratic capacity of individual states to regulate (Easterling, 2014). This is much the same point that is raised about offshore finance and tax havens, where the collective action that is required to tackle these spaces is hindered by the problem of state capture and the difficulty of creating and enforcing effective regulation, in conditions where regulators and market actors are often socially connected and share common values.

2.3 Elite urban spaces

2.3.1 Defining and researching wealth elites

Depictions of the lives of the rich typically portray a lifestyle of glamorous international travel and constant movement across space (Short, 2016). However, there remain place-bound communities where the wealthiest people on the planet choose to live, spend time and socialise. For instance, Atkinson's (2020) work documents how London,

particularly prime parts of the inner-city, along with connected pockets of the wider south-east of England, are home to a networked, wealthy and powerful segment of global wealth elites (see also Atkinson et al., 2017a; 2017b). Wealth elites are also likely to be found far away from major global cities, in prestigious enclaves such as Monaco and Cannes on the French Riviera, skiing in St. Moritz in the Swiss Alps, the Hamptons on Long Island in New York state, or on Caribbean islands such as Mustique (Beaverstock et al., 2004). Researchers have noted the increasingly intense competition among states to attract international wealth elites, as immigration policies are modified to appeal to the wealthy (Short, 2016). Indeed, this modification has become increasingly specialised:

'Strange as it may seem, the world is one big group of country-sized supermarkets each competing, often fiercely, for as much capital as possible... 'high net worth individuals' have a smorgasbord full of tax optimisation opportunities open to them upon obtaining citizenship of sovereign states... As the search for capital has become a zero-sum gain, other jurisdictional features have become pivotal including whether the airport runways are long enough to accommodate certain types of private jets, and trivia such as the quarantine duration for imported pets.' (Platt, 2015, p.54).

A list of members of tiers of the rich is provided by *Forbes*, a business magazine that produces annual lists of the wealthiest people in various countries, as well as a global list of billionaires (in the UK, the *Sunday Times* newspaper produces a similar list). The magazine makes use of a typology of wealth first developed by Capgemini and Merrill Lynch in the 1990s, which has since become widely accepted (Beaverstock and Hay, 2016, p.3). According to this framework, high-net-worth individuals (HNWIs) are affluent people or households with liquid assets (money in accounts alone, excluding primary residences and collectibles such as art) of between \$1 and \$5 million; very-high-net-worth is a category for those valued between \$5 and \$30 million; and ultra-

high-net-worth (UHNWIs) refers to those valued above \$30 million (Curry and Adams, 2023). There are clearly some issues with this typology, excluding as it does primary residences and collectibles which may make up a significant part of an individual or family's net worth, alongside the difficulty in estimating the value of wealth held offshore or via shell companies. It could reasonably be argued that the status of being wealthy is context-specific, and so researchers suggest that the top one percent of a population in terms of wealth might be considered as the most powerful wealth elites of that society (Koh et al., 2016, p.20). *Forbes'* baseline definitions remain useful for providing a ready figure of categories of the wealthy. However, they may be becoming outdated in light of the increasing scale of the super-rich. The twenty-first century has seen the emergence of a growing class of billionaires numbering 2,781 people worldwide (Forbes, 2024). Campaigners point out that, in a context of globally rising inequality, within the next decade the world may see its first trillionaires, or people whose private fortune is worth more than the entire economic value of all but a handful of nations (Riddell et al., 2024). Nevertheless, *Forbes'* definitions remain a widely used set of criteria with associated empirical data, making it useful to researchers. As such, this project uses the term 'wealth elites' to refer to members of all three classifications of wealthy individuals.

The comparison of the wealthiest individuals with states is important, capturing as it does the social, economic and political capital that the richest people in the planet have, giving them influence on a global level (Beaverstock and Hay, 2016, p.9). As noted above, states compete ferociously for wealth elites, whom it is posited can create new jobs, increase demand for services and provide investment (Platt, 2015). The wealthiest people in the world, for their part, seek certain advantages that states can confer within the confines of the state-led global system. This includes a list of requirements that are rare to find all in the same place: limited or no taxation on wealth, low levels of fiscal transparency, the rule of law and in particular legal protections of wealth, 'flexible' labour markets (signifying weak labour rights for employees) and low rates of corporate tax (Short, 2016, p.365). As per Platt (2015),

wealth elites may shop around for citizenships or places of residence that provide not only tangible benefits to their finances, but they also buy in of the aura of glamour and façade of privacy of a place, the amenities on offer in that area, and the potential to access networks of other elites in that space.

There is thus a dual nature of the super-rich in being both mobile and rooted at the same time, relying on supportive political structures to maintain this duality. Critical political economists describe the emergence of a transnational capitalist class that has absorbed national financial and political elites, the technocratic governing elites of international institutions, national military-industrial complexes, and prominent figures in the cultural, media and educational spheres (Robinson and Harris, 2000; Harris, 2012; Van Fossen, 2012). This emergence of a transnationally oriented class of elites, alongside transnational flows of capital and wealthy individuals, is nonetheless forced to operate within the confines of a state-led global order. Critics charge that as a result, the sovereignty of some states – particularly small states – has been captured to serve the interests of wealth elites: the issue of state capture (Palan et al., 2010, pp.3-4; Sharman, 2010, p.12). As already mentioned, Luxembourg has been a particular focus of criticism in this regard, with the commercialisation of Luxembourgish sovereignty criticised for undermining the spirit of European democracy and integration (Zucman, 2015, p.90). This sits alongside the other negative consequences of the commodification of state sovereignty for the benefit of wealth elites, including the erosion of national tax bases and welfare provision, rising wealth inequality observed both within and between states, and the negative effects upon democracy that the super-rich and their money can have (Kerr, 2021).

2.3.2 Elite urbanism and the impacts of wealth elites upon the city

Urban design, planning and architectural forms are far from neutral, but instead physically embody ideas, values and beliefs. Indeed, the very concept of a city can be considered as a representation of processes that are ideologically driven, containing

within them relations of power and domination, in a similar way to how the concept of labour is not neutral but inherently contains ideological content and implications, particularly within the context of capitalist society (Wachsmuth, 2014). In this vein, researchers have identified how urban spaces are increasingly shaped by the tastes, values and demands of wealth elites. Elite urban spaces are shaped by the preferences and values of the elites living there, and in the process such spaces acquire an association with elites, with even those who are not elites themselves coming to associate themselves with the aura of the space (Holmqvist, 2017, p.237).

At the level of the individual housing unit, Paris (2016, p.252) provides a typology of elite housing comprising three forms: trophy homes, boltholes and strategic asset management, noting that some homes may have all three qualities. The first category includes the most exclusive and expensive properties that are occupied, at least occasionally, and used for storing prime assets such as important artworks. This includes apartments in prominent buildings on New York's Park Avenue, prestige towers in Monaco and Hong Kong, and mansions on the most desirable streets in London. In contrast, a bolthole is a place of relative secrecy and security. Such properties tend to remain unoccupied, being held as contingency plans in case of political or environmental risks. Included here is the trend for wealth elites to buy ranches in sparsely populated places such as Wyoming and New Zealand, set against a backdrop of anxiety about climate change, or the empty mansions of exclusive streets such as The Bishops Avenue in London. The final category includes investment in a range of properties to diversify the property portfolio of a wealthy individual and hence reduce market uncertainties and financial risks. Taken together, Paris' typology demonstrates the major uses of housing by wealth elites. In particular, the final investment category is significant for its wider effects on the housing market. Acquiring portfolios in property, which is perceived as a safe investment, has the effect of accelerating price increases and driving gentrification that displaces residents, as 'money looking for a home' can outmanoeuvre current or potential residents with more limited financial means (Atkinson et al., 2016, p.226). The result is that, in many

cities, much of the new stock produced is purchased as an investment and lies vacant. Soules (2011) describes this as 'zombie urbanism' whereby housing is neither alive nor dead as a result of short-term speculative practices, with these practices also leading to the emergence of novel urban forms such as pencil skyscraper, in which the investment function of the housing crowds out traditional functions of shelter and culture. These dead residential spaces, or necrotecture, are stripped of the vitality we normally associate with urban social life (Atkinson, 2018; Atkinson and Mingay, 2024).

An important means by which institutions adapt to wealth elites is through permitting investors and large developers to bend, circumvent and lobby against rules that apply to other people (Lauermann and Mallak, 2023). Urban spaces hosting elites are shaped by elite tastes and demands, including through their greater capacity and resources to influence the planning and development process. This has spatial consequences. For instance, permitting the construction of vast tower blocks for investors has the effect of blocking out daylight and outlook for those in neighbouring properties, who may have least fiscal capacity to move elsewhere, thus reducing their quality of life and enjoyment of their homes (Laing Ebbensgaard, 2016). The rise of skyscrapers for investment purposes has rapidly transformed the skylines of cities across the world, embodying an 'emphasis on the lifestyles and priorities of urban elites' who colonise the skies above our cities, even as poorer residents are displaced from the ground (Harris and Wolseley, 2024, p.656). At the ground level, researchers have highlighted the proliferation of gated communities and other urban design methods of fortification, securitisation and privacy for urban elites that have the effect of fragmenting public urban space (Hay and Muller, 2011; Morales et al., 2022). Indeed, one in three new-built homes in the USA is now within a gated community, demonstrating the exit of those with greater wealth from society, fragmenting cities and disincentivising investment in public space in the process (Garrett, 2020).

2.3.3 Stealth luxury and defensive design

Researchers have highlighted how buildings and spaces constructed for wealth elites spatially manifest the consumption of luxury, as well as a perceived anxiety around security that has led to an intensification in the defensive design features of buildings intended for elites. The notion of luxury is important in this research, drawing from the multiple dimensions of the term that is found in critical luxury studies. Luxury is not a simple descriptive word that is synonymous with expensive goods; it brings with it wider notions about power and knowledge (Featherstone, 2020). Access to luxury goods motivates 'criminality' and corruption, and also provides an avenue through which proceeds from corruption and organised crime can be laundered (Østbø Kuldova, 2020). Examples include crime networks using property, jewellery, watches and gold as stores of value, and as means to profit from actions such as embezzlement (Aikman, 2024). To buy luxury products and to live a luxury lifestyle is not a neutral choice, but is woven with discussions about economic power, class and culture. Studies demonstrate that luxury consumption remains robust even in climates of economic instability, with opulent luxuries typically described as being desired for their symbolic values (to signal the wealth and status of the buyer) rather than an objective status relating to the skill of the craftsmanship or quality of the materials (Crewe and Martin, 2016). Luxury consumption has traditionally been researched with reference to the Veblen effects of signalling wealth and hence social status through conspicuous consumption, with researchers highlighting that those who consume luxury goods are willing to pay higher prices for a functionally equivalent good (Bagwell and Bernheim, 1996, p.349). Luxury items are often criticised or parodied for being excessively overpriced, but this misses the rationale of such forms of consumption: luxury products are meant to be accessible only to a small, privileged group of people who can afford the price.

An important emerging notion when analysing consumption among the super-rich is that of 'stealth luxury', which can be seen as subverting the idea of Veblen effects and seeking to flaunt one's status through signalling wealth. Roberts (2020) uses

stealth luxury to describe how design can support the agenda of wealth elites to conceal their wealth. The consumer of stealth luxury seeks to discreetly advertise their status to other wealth elites, while disguising it from those outside the elite group (Lee, 2019). Therefore, stealth luxury is not just about the use or consumption of luxurious materials, products, spaces or settings, but is associated with restricted knowledge that privileges and simultaneously defends insiders vis-à-vis outsiders. Stealth luxury is predicated upon appealing to the *savoir-faire* of those who can afford to consume the products, no matter the price tag, and at the same time feel satisfied by their knowledge of what constitutes good taste: an in-group identity formed in opposition to the constructed ignorance of the out-group, who cannot recognise or access luxury (Roberts, 2018). There is thus a heightened sense of security in the consumption of stealth luxury, with signals of luxuriousness only recognised among the in-group: a façade that shields the consumer from external scrutiny.

Applying these ideas to urbanism, theorists of design have written about the tension between representation and reality in the architecture of luxury (Featherstone, 2020). That is, there is both the symbolic containment of luxury within a space, which may or may not be signalled to those outside, and the experience of luxuriousness in the space itself, which is reserved for those who may use the space. Featherstone (2020) uses the royal palace as a prototypical case study of traditional luxury architecture, which fuses both these dimensions of representation and reality, and clearly signals the wealth and power of the individual inhabiting the space. Roberts (2020) considers the luxury freeport as a space of stealth luxury, given that it contains luxurious objects and physically represents the economic power relations and knowledge gap that stealth luxury consumption is predicated upon, combining these together in the form and function of the structure, which is not immediately obvious to those who lack *savoir-faire* about the space or the means to access it (Roberts, 2020). The freeport as a space of stealth luxury is also highly securitised, making use of a full range of defensive techniques (Zarobell, 2020b). While the aesthetics of the warehouses of Geneva Freeport may be a far cry from the palace of the Grand Duke of

Luxembourg or the opulent hotels of Monte Carlo, ultimately these structures can all be considered as forms of luxury architecture in both their design and intended purpose. However, the case study of luxury freeports highlights an evolution in how luxury is consumed and signalled in the built environment. The emergence of stealth luxury appears to mark a departure from more overt conspicuous consumption and signalling of social status described as Veblen effects, towards the consumption of stealth luxury to discreetly signal wealth and status to fellow members of the elite in-group, with secrecy, privacy and concealment consumed as luxuries.

Demand for stealth luxury has emerged alongside growing demand among wealth elites for defensive structures. The gated community is a prominent example of defensive urbanism, in which elite communities spatially withdraw, creating enclaves that may in turn contain fortress homes comprising a secure exit route and avoidance strategy from poverty and marginalisation in the surrounding city (Atkinson and Ho, 2020). Another form of defensive urbanism is the bunker. Scholarship has considered the growth in popularity of bunkers among so-called 'doomsday preppers' as well as wealth elites, signifying an inner fragility or fear of cataclysm (Garrett, 2020). So too do the luxury defensive bunkers of elites make concrete fears that the outside world is dangerous: fears that elite status brings with it a greater risk of burglary or assault, or even a sense that social or environmental collapse that could threaten structures of wealth, power and status is imminent (Garrett and Klinke, 2019; Garrett, 2020). Elite fears around the future of the planet and continued societal acceptance of wealth inequality have resulted in the rise of luxury bunkers, which are isolated spaces that both embody and defend the material privileges that wealth elites enjoy. On this issue, scholars have studied the bunker as one of many territorialised attempts by the super-rich to secede from society, with a focus on 'luxified troglodytism', including the phenomenon of large basements being dug beneath existing elite homes (Garrett and Klinke, 2019; Garrett, 2020; Burrows et al., 2021). Soules (2021) surveys three distinct kinds of luxury defensive design: 'iceberg' homes, with basements dug deep below street level; ultra-thin 'pencil towers', with on-site staff and a detachment from the

street level of the city; and 'zombie urbanism', in which the buildings are invested in for speculative or taxation reasons. In search of stealth luxury – privacy, discretion, security and defensive guarding of wealth and the privileges flowing from this wealth – critical urban studies literature documents how elites are not only colonising urban skies, but also the ground beneath urban spaces.

A final manifestation of defensive design is found in the literature on 'hostile' or 'defensive' architecture, which was described in Davis's (1990) study of Los Angeles that conceived of the city's urban landscape as collections of spaces for wealthier individuals, separated from surrounding spaces used by poorer people through defensive features. The urban design interventions described by Davis (1990) include spikes beneath bridges, benches with high arm rests to prevent rough sleepers from lying down, fluorescent lighting, sprinkler systems, the use of noise to repel people from spaces and prominent CCTV cameras. Collectively, such designs 'defend' high value spaces from the incursions of poor or socially undesirable individuals (Rutland, 2010; Mitchell, 2014; Petty, 2016). These security features are intended to go unnoticed and blend into the urban fabric, apart from for the target groups of such designs who will be repelled (De Backer, 2018). Defensive architectures serve to socially engineer a space, removing those who are perceived as undesirable or unwelcome from the urban environment in question, purging undesirables from the space and safeguarding its capacity for value creation (Harvey, 2008; Tosi, 2007).

2.3.4 Splintering urbanism and volumetric urbanism

Two further concepts from the urban studies literature help to understand the effects that wealth elites and their associated flows of capital have upon urban spaces. The first of these is splintering urbanism. The role of market forces and perceptions of the value of a space and the people living in there underpins the concept of splintering urbanism put forth by Graham and Marvin. In developing the concept, the authors first highlight that 'infrastructure networks are the key physical and technological assets of

modern cities', describing a 'bundle' of 'materially networked, mediating infrastructures, transport, street, communications, energy and water systems' (Graham and Marvin, 2001, p.10). This bundle is described as sustaining the continually increasing demand for exchange, movement and transaction across distance. However, the authors argue that there is a growing phenomenon of 'valued' spaces being locally disconnected and instead connected to other 'valued' spaces across national or international distances, which intensifies uneven patterns of development in physically close spaces that are 'relationally severed' (Graham and Marvin, 2001, p.15). As such, the bundle of infrastructures underpinning urban development are splintered, precipitating the 'fragmentation of the social and material fabric of cities' (Graham and Marvin, 2001, p.33). The connections between more valued users and places strengthen as they secede from their surroundings, while connections with less valued users and places deteriorate, accelerated by the privatisation of public services and profit-driven private sector motives in providing core infrastructure and services. The authors use examples of splintering in the urban realm such as skywalks, atria and tunnel networks between office blocks to connect high-value spaces within sanitised enclaves that are segregated from the rest of the city, which is framed as 'a place of crime, disorder, poverty, insanity and danger [which] justifies their further social and technical distancing' (Graham and Marvin, 2001, p.259). Other examples include gated communities and malls that are patrolled by security guards and restrict access to those perceived as undesirable.

The example of gated communities as 'a space of shared socioeconomic privilege and gratification' also appears in Klauser's work on the 'contemporary fortress city' (2010, p.336). The paper draws from Sloterdijk's concept of the city as 'foam', which each bubble in the foam constituting 'a self-animated world of its own, whilst being defined by the fragile border it shares with its adjoining neighbours' (Klauser, 2010, p.330). Klauser argues that, while research 'splintering urbanism' and the rise of enclave spaces focuses on their separation from the surrounding space, there remains a co-isolation and co-fragility; for example, gated communities 'rely upon a daily influx

of energy and information, in the widest sense, from the outside world' (2010, p.333). In this framework, the border between an elite space such as a gated community and the rest of the city is not a line with an inside and outside, but rather a selectively permeable assemblage of security technology, surveillance and barriers that are interconnected with the surrounding space and society. Wonders similarly writes about the semi-permeable or partially porous nature of borders between spaces, which facilitate the free flow of capital but at the same time make use of technologies of control that restrict the free movement of people; specifically, how they 'facilitate the entry of some but deter the entry of others' (2006, p.64). Reflecting on the permeability of borders between spaces is an important contribution to the debate on splintering urbanism, highlighting that, while there may be intensifying connections between 'valued' spaces that are increasingly locally disconnected, these spaces remain woven into the urban fabric and continue to be dependent on flows of labour, capital and resources such as food, water and electricity from outside the space.

A final concept on the transformation of urban space comes from the literature on volumetric urbanism. Graham challenges the 'flat' tradition of urbanism that focuses on surface territory to instead consider how development takes place beneath and above ground, in a world of:

'...satellites, drones, helicopters, bombers, flyovers, skyscrapers, raised walkways and urban airscapes as well as the human manufacture of the ground itself and initially subterranean burrowings of bunkers, basements, sewers, tunnels and mines' (2016, pp.14-15).

The concept has a geopolitical focus, considering how states govern and exert power through aerial space, funded through resource exploitation which may often take place in subterranean space, suggesting that arguments around the right to the city and allocation of resources should also be considered along vertical and horizontal geographies (Graham, 2016). McNeill (2020) similarly takes a volumetric approach to urban space, charting development at ground level, above ground and below ground,

drawing in skyscrapers, subterranean space and air rights above buildings. Using the case study of Singapore, McNeill (2019) expands the consideration of the territory of a state to consider its volume, using the example of land reclamation in Singapore's Marina Bay to demonstrate how state-led accumulation strategies produce new territory for exploitation. This dominating relationship with the natural environment and production of new spaces and environments for accumulation is also highlighted by other researchers. For instance, Marvin describes volumetric urbanism as 'the extension of forms of ecological enclosure into new dimensions of urban life', creating securitised atmospheres within enclosed volumetric structures (2015, p.227). Volumetric urbanism is thus described as 'attempt to build secessionary artificial environments to try to ensure the continued economic and material reproduction of selected users' (Marvin, 2015, p.228). The architect Kaji-O'Grady also connects the concept of volumetric urbanism to research around splintering. Drawing again from Sloterdijk's research, Kaji-O'Grady (2017, p.1) presents the city as 'an aggregation of micro-volumes of distinct atmospheric conditions, each enveloped within successive insulating layers' and connected with flows of people, vehicles, goods and data. Taken together, splintering urbanism and volumetric urbanism point to the need to consider urban spaces in their density – above and below ground – and spatial patterns of connection, which may increasingly be across borders in elite spaces, and disconnection between adjoining spaces in the same city.

2.4 New state capitalism and right-libertarianism

2.4.1 New state capitalism

State capitalism is a term that describes a form of capitalism in which states are active participants in markets through for-profit activities, including nationalising and operating assets, resources or enterprises. The notion of 'new state capitalism' has become increasingly prominent in political economy scholarship. While critics of the

concept point out that there is no such thing as 'non-state capitalism', given how states shape markets through regulation and interventions, proponents point to upheavals and transformations in the relationship between the state and the economy since the 2008 Global Financial Crisis (GFC) that appear to signal an evolution in the relationship between markets and states (Peck, 2023). While state-owned enterprises have become less common in Europe and North America since the 1980s, governments remain active participants in their economies beyond setting policy and taxation rates, including through sovereign wealth funds, national development banks investing in priority businesses or sectors, and state ownership of shares in companies, such as voting shares in strategic sectors (Alami and Dixon, 2020a). There are now over 120 sovereign wealth funds, a six-fold increase with the figure at the turn of the millennium, with the assets of these funds exceeding that of private hedge funds and private equity firms combined (Alami and Dixon, 2023). This highlights that, despite the context of neoliberal rhetoric around privatisation, states retain the power to shape markets and maintain active roles in the corporate governance of 'national champions', such as state oil firms from Brazil to Norway (Musacchio and Lazzarini, 2014, pp.174-175).

The concept of a new state capitalism is becoming increasingly popular as a means of exploring the polymorphism of state intervention in economies across the world, prompting discussions about 'the *appropriate scope and legitimate forms* of state intervention' (Alami and Dixon, 2020b, p.4). Alami (2023) contends that, with the rise of sovereign wealth funds, development banks, industrial policies, spatial development strategies and trends towards economic nationalism and 'onshoring' production, there is a heightened concern among elites that populations may demand other forms of state intervention, such as re-municipalisation of utilities, investment in welfare systems or Green New Deals. To mitigate this, national political and economic elites have developed policies which strictly define what is considered as a legitimate action for states vis-à-vis markets, such as regional development policies, bailouts for banks, or subsidies for 'national champion' firms, and what are considered illegitimate

or politicised interventions, such as a universal basic income or nationalisations of certain firms or resources (Alami, 2023, p.766).

The literature on new state capitalism thus stresses that this term is not a national or regional variety of capitalism, or some new capital accumulation regime, but rather a means of problematising the restructuring of capitalist states across the world and how they interact with markets since the 2008 GFC (Alami, 2023; Alami and Dixon, 2023). Of relevance here is work on new state capitalism in the tradition of geographical political economy, which relates research on the shifting relationship between the state and the economy towards its impacts on space. Drawing from examples of new state capitalism in China and the Gulf states, Whiteside et al. (2023, p.66) describe a dynamism and complexity in how new state capitalism manifests spatially as public-private boundaries erode and the dichotomy between the two fades. Building on this observation, Alami et al. (2023) emphasise the significance that spatial connections and geographical unevenness have within new state capitalism: 'state-capitalist transformations and strategies are not bound to the geographical borders of the nation-state given that they are scale-differentiated, stretch across space and cut across territorial economies' (Alami et al., 2023, p.630). Examples of state-backed megaprojects, infrastructure investment and spatial planning strategies demonstrate how new state capitalism is intensely interested in space, integrating territories and minimising the effects of distance to better facilitate flows of capital.

2.4.2 Right-libertarianism and spaces of elite exit

Libertarianism is an ideology that emphasises individual autonomy and liberty. It has left-wing incarnations, which favour collective or communal ownership and egalitarian attitudes towards access to resources, and right-wing incarnations organised around secure property rights and the facilitation of unimpeded market distribution of resources. Within these left and right categories are many schools of thought. The core features of right-libertarianism are support for capitalist property rights and a belief in

the efficiency of markets to distribute resources and capital, with the state and regulation seen as encroaching on absolute individual freedom as an economic actor: taxation as theft. Historically, libertarianism was more strongly associated with anarchism or left-libertarian movements, such as libertarian socialism or libertarian communism. Right-libertarians have openly written about co-opting the base concept of libertarianism and appropriating it to propagate a pro-capitalist vision under the banner of personal liberty, boasting of capturing the term 'from the enemy' (Rothbard, 2007, p.83). Therefore, this project uses the term right-libertarianism to acknowledge historical usage and distinguish the right-wing capitalist variant of libertarianism.

The right-libertarian worldview can be understood as one of 'sovereign individuals' constrained by bloated and ineffective governments, who it is claimed steal the rewards earned on the market by the most capable through regressive taxation to subsidise the lifestyles of individuals who are less capable, productive or brilliant (Davidson and Rees-Mogg, 1999). There are thus clear overtones of social Darwinism, framing wealth elites as more virtuous than the poor, who are conceived as lazy and undeserving. Such narratives of the genius and more capable individual having to fight against the less brilliant pervades the work of right-libertarian writers. A prominent case is Ayn Rand's *The Fountainhead* (1943), a foundational work of right-libertarian literature, in which a daring, iconoclastic architect takes on the conventionalists of the establishment: those who use popular styles, those who critique but cannot produce great works themselves, those afraid of public controversy for speaking out, and even those too attached to their mothers and spouses. The message of the book is that to be a right-libertarian means to see oneself as an independent actor first and foremost, in competition to beat other actors to win and thereby achieve greatness. The free market is the arena for this battle; market forces are the guarantor of freedom of the self as an economic being. The notion that some, by virtue of greater wealth and ownership of property and resources, might infringe on the liberty of others is accepted as the price of competition on the market, with right-libertarians either being

silent on hierarchies of power based on social identities such as race and gender, or critical of those who raise these issues.

The right-libertarian Angell has advocated a set of ideas to enable 'new barbarians', or businesspeople of the digital world who have smashed trade unions and opted out of taxes, to survive on the battlefield of economic change, lest they become 'the losers' of the future. Angell references criticism of the British royal family as one of the harbingers of an impending social 'Dark Age'. Similar focus on visions of a post-apocalyptic future alongside conservative social criticisms is found in Davidson and Rees-Mogg's (1999) influential work on the 'sovereign individual', which is about how digital technology will enable the wealthiest to secede from society and avoid having any form of non-consensual obligation towards others – for instance, paying taxes to fund welfare states. A common theme throughout these right-libertarian texts is the combination of radical devotion to absolute individualism, fantasies of unlimited wealth and power, and a sense of wounded conservative masculine pride. Criticism is instantly negated in the apocalyptic worldview of those who believe, akin to a cult. Indeed, those who have not been initiated into the belief system of right-libertarianism are perceived as enemies to be vanquished or are simply framed as low-worth individuals of middling talent who will be destroyed by the heroes of the movement, in this case the billionaire and the tech entrepreneur.

The ideas of Angell, Davidson and Rees-Mogg appearing at the beginning of the digital age appear to have found a home among modern Silicon Valley tech oligarchs. In Craib's (2022) history of right-libertarian 'exit', the author documents the popularity of right-libertarianism among Silicon Valley business elites and circles of wealth elites who seek an escape from their obligations in terms of taxation and labour rights for employees, towards a fantasy capitalist techno-utopia. The book documents the popularity of such ideas among white supremacist movements, and the colonial power dynamics that appear to lie just beneath right-libertarianism's appeals to individual liberty, with newly independent and impoverished states encouraged to

'trade one colonial master for another' (Craib, 2022, p.10). Right-libertarians adopt extremely critical attitudes towards democratic politics and governance in favour of a 'theology of the self', or an absolute commitment towards individual autonomy and independence from social bonds and responsibilities (Craib, 2022, p.243). In line with this focus on the individual, many right-libertarians advocate that states adopt foreign policies of isolationism and autarchy (economic self-sufficiency) as a step towards creating right-libertarianism (Rothbard, 2007).

Contemporary right-libertarianism is intertwined with the so-called Dark Enlightenment, a techno-futurist vision of capitalism also referred to as 'neo-reactionary' thinking. The ideas of the Dark Enlightenment are shown to be prevalent in Silicon Valley and is spatially expressed in fantasies such as gov-corps, charter cities, seasteading and even creating utopian communities beyond this planet, with an interest in architecture and urbanism that echoes Rand's work (Steinberg et al., 2012; Greenspan, 2014; Lynch, 2017). Such imagined urban spaces represent idealised capitalist paradises for elites beyond the reach of states and their publics. However, translating right-libertarian ideas into practice has been shown to be challenging, with several failed attempts thus far. For instance, a study of the right-libertarian inspired Innovation Zones strategy in Nevada, which intended to build a futuristic smart city in the desert backed by a cryptocurrency millionaire, highlighted that the initiative was a failure on multiple levels: it absorbed the state's time, energy and resources during the COVID-19 pandemic in one of the USA's hardest-hit states, and the large plot of land occupied for the project has undermined regional planning and diversification of the state's economy away from tourism in the process (Lynch and Muñoz-Viso, 2023, p.78). Another example is the attempt to build a right-libertarian utopia in the town of Grafton, New Hampshire, where large numbers of right-libertarians from across the USA moved in and seized control of local government, cutting all public spending on services such as maintenance and emergency services. The project collapsed into tragedy as squatters camped throughout the town causing public nuisance, roads became dilapidated and rubbish piled up in the streets,

emergency services from neighbouring communities were called upon for help as fires broke out, and ultimately bears living in the forests of New England descended on the town and attacked pets and even residents in the absence of public services to manage woodlands and wildlife (Hongoltz-Hetling, 2020).

Commentators on the Dark Enlightenment note a pervasive seam of racist and eugenicist thought within the movement (Smith and Burrows, 2021). Critics also note the fascist overtones of Dark Enlightenment literature, rejecting 'warm' solidarities such as social solidarity or loyalty in favour of what Land (2022), the key thinker of the movement, refers to as 'hyper-racism'. This term describes how the richest and most intelligent people should secede from the rest – the poor, those of lower intelligence and those without a belief in the individual over the collective, who are referred to as 'refuse' – and genetically separate into a new, superior race of humans (Burrows, 2019). These ideas appear to have found an audience in alt-right circles and among prominent right-libertarian billionaires such as PayPal founder Peter Thiel and Elon Musk, having the effect of shifting the window of what is politically acceptable to say (Smith and Burrows, 2021). Such ideas are not confined to the fringes of the internet but are perpetuated by billionaire donors to prominent thinktanks, advisors to significant right-wing political figures, and those responsible for the Cambridge Analytica disinformation scandal (Gray, 2017; Mayer, 2018). The heart of Dark Enlightenment theory is a rejection of democracy, which is seen as incompatible with individual freedom as conceived in right-libertarian terms. Liberalism and egalitarianism are attacked, praising instead social Darwinism:

'People are not equal, they do not develop equally, their goals and achievements are not equal, and nothing can make them equal. Substantial equality has no relation to reality, except as its systematic negation' (Land, 2022, no pagination).

The directions of policymaking over the decades since the neoliberal revolution and development of the so-called 'Washington Consensus' has been corporate

globalisation, privatisation of public assets and services, deregulation of finance, and the opening of new areas of activity to the 'free' market (Peck, 2010). Nevertheless, a minimum role was envisioned for the state to prevent monopolies and provide certain services that the market cannot. The cult of absolute individual rights as economic actors, laissez-faire capitalism and hostility towards the state distinguishes right-libertarianism from neoliberalism, where there is typically some belief in the value of society and basic forms of regulation. Thiel (2014), for instance, has written that 'competition is for losers', describing monopoly power as more interesting than competition. However, scholars have also highlighted how the two ideologies are compatible, given overlaps between the more ideologically radical wing of neoliberalism and right-libertarianism. Queiroz (2021) writes that the contemporary wave of neoliberal populism across many democracies is deeply imbued with right-libertarianism, imagining 'the people' as a collection of individuals who want autonomy from state control – states being caricatured as captured by the so-called 'liberal elite'. The ongoing transformation of neoliberalism into a more authoritarian form, with aggressive policing, use of surveillance technologies, restrictions on freedom of speech and defence of market actors through changes to the legal system (Falk, 1999; Bruff, 2013; Brown, 2015; Davies, 2021) is therefore complemented by integration with the right-libertarian ideology.

Utopian enclave libertarianism is an important spatial manifestation of right-libertarianism (Lynch, 2017). With government reimagined as a provider of services to customers, the notions of community, nation and culture are dismissed as old-fashioned and overly sentimental, a barrier to success as an economic actor (Davidson and Rees-Mogg, 1999; Angell, 2001). Right-libertarians contend that competitive, corporate-run governments will have improved policy outcomes, achieve greater economic growth and remove the wastefulness resulting from a lack of guiding profit motive that allegedly hinders innovation in the public sector (Friedman and Taylor, 2021). Slobodian (2023) discussed how libertarians are interested in SEZs, offshore finance and other spaces beyond the reach of state and democracy to avoid the

perceived risk of socialism, tying into the right-libertarian fantasy of 'exit', or secession of the system of rights and obligations that make up the notion of citizenship. A prominent iteration of the ideal right-libertarian state is the seastead, a floating utopia in the open seas beyond the jurisdiction of traditional land-based states that can operate in legal grey zones. This is not a fantasy of life without borders. On the right-libertarian seastead, citizenship is not a birthright but a commodity, a ticket that must be bought and comes with conditions attached (Miéville, 2007). In this regard it is comparable to the passport of tax havens, available to those with sufficient resources to pay. In the right-libertarian fantasy of sovereign individuals, selectively permeable borders are thus erected through secrecy and concealment from those who are not part of the elite in-group, comparable to a gated community or private island.

There is a strong fantasy component in visions of right-libertarian urbanism, such as the fixation upon Hong Kong that characterises the charter cities movement, seeking to create territorial enclaves governed by the market (Ebner and Peck, 2021, p.28). Likewise, there is proposal from the right-libertarian lawyer Van Notten (2005) that Somalia, wrought by civil war and the collapse of basic services, should re-establish itself as a paradise of deregulated, tax-free zones that could compete with one another, abandoning democracy and the idea of the Somalian state altogether. Further fantastical elements of right-libertarian space are documented in work on libertecture, or libertarian architecture, which discusses evidence of right-libertarian ideas in emerging architectural and spatial forms (Atkinson and O'Farrell, 2024). Other work has noted the strong fantasy element in these spaces, such as virtual spaces, seasteads or space colonies where people would be able to 'vote with their feet', choosing the private city or jurisdiction that best fits their needs (Lynch, 2017). Such visions effectively represent a system of apartheid disguised as voluntary self-segregation (Slobodian, 2023, p.92-93).

Slobodian's work shares a critical approach to right-libertarianism as it is spatially manifested, focusing on case studies including SEZs, gated communities, and

tax havens such as Liechtenstein. Capitalist zones of exception are categorised by as 'islands' (Hong Kong, London, Singapore), 'phyles' (privately owned, privately governed territories) or 'franchise nations' (Somalia, Dubai, charter cities). The analysis builds upon the long history of spaces of exception within the territorial boundaries of states that are outside democratic and regulatory oversight, which are referred to as perforations (Slobodian, 2023, p.3). A key argument of Slobodian's research is that territorial forms of exception are increasingly proliferating to enable the extraction, accumulation and protection of capital, but that at the same time these zones are created by states increasingly infused with right-libertarian ideas circulating among wealth elites. Slobodian also criticises the colonial overtones of right-libertarianism. For instance, the charter city model advocated by Romer (2010) proposes that poorer nations should allow richer nations, businesses or groups to manage uninhabited parts of their territories and create dynamic, innovative places that can attract investment. This is referred to by Slobodian as 'Silicon Valley colonialism', passing on hard-won sovereignty to external management (2023, p.188).

2.5 Theoretical framework: luxury state capture

The research questions of this project, which are explored in greater detail in the following chapter, are to identify distinctive features of the local political, economic and social ecosystems of the three case studies; to identify how the urban spaces of these case studies are impacted by the demands and presence of wealth elites; and to identify the ideological currents circulating in these ecosystems and spaces. The overarching aim of doing so is to develop our understanding of the local experiences of living and working in an offshore financial centre in the small state context, with a distinctive characteristic of large populations of wealth elites physically residing in the city. The theoretical framework for the research is based on insights from the literature review and seeks to extend the literature through highlighting local dimensions, which

are often overlooked in political economy research (Morton, 2010). This theoretical framework, luxury state capture, synthesises several concepts introduced above.

The theoretical framework of luxury state capture was developed in an iterative approach. Kerssens-van Drongelen (2001) writes that traditional recommendations for carrying out research advise to make a choice about theory early on and stick to this choice; however, the author argues that an iterative approach to theory-building is both more natural and more accurately captures how research strategies, data collection, data analysis and therefore the researcher's understanding of the project evolve through the research process. Outlining the iterative approach to theory-building, Kerssens-van Drongelen first describes the process of planning, conducting and analysing research, moving on to argue that '[t]hrough one or more iterations of this process, theory might be developed and refined, which might subsequently be used in theory application trajectories' (2001, p.507), here referring to how new theory is built through the process of reviewing the literature, collecting and analysing data, returning again to the literature, and actively reflecting on the research throughout. This framing of a dynamic, two-way relationship between the data and the existing literature is highlighted elsewhere in the research methods literature. For example, Kutscher and Howard (2021) write that research projects evolve in an organic way through reflection on how findings speak to the existing literature, and vice versa.

Luxury state capture advances the literature on state capture, which is an important approach that convincingly establishes the alignment of interests and values between local political, economic and media elites and professional actors as the underlying factor in the development of offshore financial centres in tax havens (Hampton and Christensen, 1998, 2002; Sikka, 2003). It is also distinct from other forms of capture identified in previous research. For example, there is regulatory capture refers to a situation in which a particular regulator or regulatory agency is captured by the industry it is entrusted with regulating (Dal Bó, 2006). Policy capture refers to a situation in which laws and policies are consistently directed towards private rather

than public interests, with private actors using legal and illegal means to obtain advantage in the legal and regulatory environment (OECD, 2017). Luxury state capture is distinct in that it refers to a blurring of the boundaries between the state and private actors, who are connected through informal personal and professional networks in the context of the small state, and collaborate to create conditions to attract inflows of offshore capital and wealth elites. These networks of influence are informal and have a tendency towards secrecy and intransparency, but nevertheless there is limited awareness or criticism of policymaking outcomes, including negative impacts associated with the presence of large communities of wealth elites and their capital. Instead, local actors perceive such networks as delivering economic growth – which can translate into resources for generous welfare spending, for instance, as well as playing a role in generating a sense of local pride. Indeed, narratives around the importance of competition vis-à-vis other states appeal to this local identity and pride, and as such there is a close association between the interests of the offshore finance industry and attraction of wealth elites on the one hand with the interests of citizens on the other.

The theoretical framework is informed by insights drawn from critical luxury studies, integrating the concept of state capture with the theory of stealth luxury. Stealth luxury moves away from the traditional notion of Veblen effects, whereby the consumption of luxury is an overt statement of wealth and signal of social status, towards a form of luxury consumption in which wealth elites discreetly signal their economic and social capital in ways that are only understood by fellow elites, cultivating ignorance among outsiders through constructing a façade of secrecy (Roberts, 2018; Lee, 2019). In short, secrecy, privacy and discretion are consumed as luxuries. The theory of stealth luxury, with its focus on discretion and privacy, is useful for understanding the concepts of aura or façade that were introduced above, which are strategies that states use to cultivate perceptions of secrecy, luxuriousness and glamour for wealth elites they seek to attract (Urry, 2014; Roberts, 2020). It also highlights the secretive presence of wealth elites and a lack of knowledge about their

potentially negative effects upon the city, such as impacts upon access to affordable housing or the emergence of spaces of elite exit that perforate the territory of the city.

The sovereignty of the captured state is eroded, with its territory, citizenship, political decision-making and legal mechanisms co-opted towards supporting the interests of the elites it attracts and their associated economic and political impacts (Palan, 2006). Crucially in the context of luxury state capture, these impacts are supported by the local population, and moreover, unlike in many of the cases of state capture in small island states that described in the existing literature, luxury state capture highlights a situation in which significant populations of wealth elites are physically present in the state, creating place-bound elite communities. The presence and impact of these wealth elites is perceived as being beneficial for economic growth and creating revenue for local welfare systems, rather than being criticised for impacts it has upon urban development and access to affordable housing, or the effects these elites have upon political decision-making processes. As such, even those who are not themselves wealth elites support and perpetuate the city's aura of wealth and success (Holmqvist, 2017).

Luxury state capture is therefore proposed as an interdisciplinary theoretical framework for making sense of perceptions on the impacts of hosting offshore financial centres and with communities of wealth elites within the context of small states that actively cultivate an aura of stealth luxury. This framework allows for greater consideration of subjective attitudes on state capture, which is suited to the qualitative approach of this research, uncovering attitudes towards living and working in captured states. Informed by the research on new state capitalism, the conditions within these states are also marked by a blurring of the boundaries between public and private sectors, or the roles of the state and the market (Whiteside et al., 2023). The analytical chapters of this project develop the theoretical framework of luxury state capture, highlighting its value in taking a qualitative approach to studying the local implications of state capture and the presence of place-bound communities of wealth elites.

2.6 Conclusion

This chapter has offered an overview of research by scholars across a range of disciplines, brought together for its relevance in answering the research questions relating to the local ecosystems, urban development and ideological implications of the three case studies of this project.

The review opened by considering aspects of the economies of the case studies, including the offshore finance industry and competition to meet the demands of wealth elites for offshore financial services, the notions of state capture and aura, transparency and the culture of secrecy in providing services to wealth elites, and research on luxury freeports in which high-value objects become assetised. The second section of the review considered issues relating to wealth elites and the urban environments in which they may be found, reflecting on the transformations of space that the presence of wealth elites can precipitate. It also highlighted the design agendas of stealth luxury and defensive design, along with research on splintering urbanism and volumetric urbanism. The third section of the review discussed ideas around wealth and the state that are pertinent to the case studies, introducing the notions of new state capitalism and welfare capitalism, as well as research on right-libertarianism that is shown to be growing in popularity among networks of wealth elites. Drawing from the review, the theoretical framework of luxury state capture was introduced, synthesising theory on state capture with insights from critical luxury studies and reflection on insights from conducting this research. Luxury state capture is proposed as a theoretical framework which can advance the discussion found in the literature on the local ecosystems, urban development and ideological currents of the case studies.

3. Methodology

3.1 Introduction

This chapter provides an overview of the project's research questions, the methods used for data collection and analysis, the approach to research ethics, and other issues relating to the methodology used to respond to the research questions. The core aims of the project were to understand the distinctive characteristics of the local social, political and economic ecosystems in the three case study cities, identify the notable features of the built environment impacted by the presence of wealth and wealth elites in each, and determine the ideological implications of sets of observations. A qualitative approach was chosen as most appropriate to these aims, with fieldwork comprising interviews with professional actors, observations on site visits to determine affective atmospheres and the use of photography.

3.2 Research questions

Three research questions (RQs) guided this project. These questions were developed to understand the local experiences and perceptions of state capture, the impacts of living and working in the context of an offshore financial centre, and the effects this has within the small state context. The questions were formulated to respond to gaps in the literature on these topics.

RQ1: What is distinctive about the local political, economic and social ecosystems of these cities?

The aim of this question was to develop understanding of the distinctive features of the local political, economic and social ecosystems of these three cities. Alongside their offshore finance industries and being identified as prominent examples of tax havens

in the literature, the three cities also host the largest luxury freeports in Europe and significant populations of wealth elites, which suggests there are key features of the ecosystems of these three cities that are conducive to this model. The concept of the ecosystem is well-established in social science research. For instance, political science uses the concept of an ecosystem to refer to the actors and actions connected to an issue, such as support for an idea, party or policy (Dommett and Kefford, 2020). Business research uses the notion of the ecosystem to refer to the broader context in which innovation, entrepreneurship, knowledge transfer, specialisation, competition and other business activities take place. One definition seeks to unite the various strands of research on this issue, referring to the ecosystem as comprising 'multiple actors of a diverse nature existing in a territory, interrelated and interdependent, sharing factors and a common destiny', also highlighting the crucial role played by institutions, culture, networks and infrastructure in enabling or limiting activities (Catala et al., 2023). Shankar Jha's (2006) research on the state as an 'institutional container' impacted by globalised capitalism is also introduced here in order to consider the role of international pressure, influences and movements of capital and labour upon the local ecosystem.

RQ2: How are urban spaces impacted by the demands and presence of wealth elites in these cities?

The three case studies of this project host significant populations of wealth elites alongside inflows of capital through their offshore finance industries. The aim of this research question was to understand the effect this has on the urban spaces of these cities holistically, considering development, access to housing, infrastructure and sustainability, as well as the affective atmospheres generated in the urban spaces. The notion of an affective atmosphere is explored in detail below, and refers to the 'mood, feeling, ambience, tone and other ways of naming collective affects' in an environment (Anderson, 2009, p.78). This is in line with the qualitative approach of the project, as

seeking to understand the feelings that a space evokes is an important aspect of the experience of moving in and interacting with urban spaces. The luxury freeports of the three cities were starting points for considering other urban phenomena in the case studies, and as such site visits were planned as part of the fieldwork that is particularly relevant for responding to this question.

RQ3: What are the ideological implications of these ecosystems and spaces?

The aim of this research question was to reflect on the implications of the ideological currents circulating in these ecosystems and spaces, as evidenced through interviews, engagement with the literature, and analysis of data collected on the site visits.

3.3 Research design

This project's research design is its strategy for answering the research questions using empirical data. I decided upon a qualitative approach as this is suitable for understanding the ways in which the people living and working in the case study cities make sense of the world around them, with qualitative methods being appropriate for gathering data on people's subjective beliefs and their ways of seeing the world. Research methods literature highlights that qualitative research is best suited for projects that intend to acquire deep information on contexts in an inductive approach, based on the reasoning that, through making observations, it is possible to observe patterns and thus reach conclusions on findings (Willis, 2007). Additionally, given that the research questions aim to describe local situations and phenomena, the project adopted an interpretivist research design, seeing reality as socially constructed and relative in the narratives of interviewees and in the data that was collected. This means that, rather than seeking to identify an objective or independent reality that can be isolated through empirical methods, the research was geared towards understanding the perceptions and concepts that are used to construct reality in these settings.

The approach for this project was adapted to the specificities of conducting research with professional actors in spaces shaped by and hosting large populations of wealth elites, on topics for which relatively little data exists and a culture of discretion and secrecy prevails. The project began with an in-depth literature review to establish the current state of research. Alongside the formulation of the research questions, three cities were chosen as case studies, using the case study selection process described below. To respond to the questions, I set out to create in-depth case studies on the local political, economic and social ecosystems of these cities; develop an understanding of the urban spaces and urban issues observed in the cities; and gather data on the ideological currents circulating in these cities. The project gathered qualitative data to make sense of these spaces, including interviews with professional actors, photographs, field notes on the affective atmospheres of the spaces and documents gathered locally for analysis.

3.4 Case study selection

The initial factor was to choose cities with financial centres that host prominent luxury freeports, with Geneva, Monaco and Luxembourg frequently named in the literature, alongside other cases such as Singapore (Post and Calvão 2020). Other financial centres with freeports exist, such as Zurich, facilities in Cyprus and the freeports opened in the UK from 2022 onwards, including in London. Therefore, the case studies for this project were chosen through a process of determining cases with common factors, along with differences that would present value for comparison, thus drawing from recommendations in the research methods literature and adopting the approach of choosing 'most similar' cases (Sartori, 1991; Berg-Schlosser and De Meur, 2009; Peters, 2013). Berg-Schlosser and De Meur (2009) stress the importance of choosing cases that share sufficient background characteristics to make them suitable for comparison; in other words, so that comparisons do not obscure more than they reveal. Ebbinghaus (2006) suggests taking a small number of case studies, typically

fewer than four, to enable sufficient depth when analysing individual cases and comparing them against each other, but also to ensure that the project is feasible, as a large number of cases can create logistical challenges for the researcher. These considerations underpinned the choice of three case studies in the same geographical region, with similar levels of wealth, internationalised populations and economies but different political and regulatory frameworks on which to make comparisons.

In practical terms, an important factor in the case study selection process was that the cases needed to be accessible for visits within the confines of a PhD and its funding restraints. In addition, while I had four years' funding to conduct my research, the first two years coincided with the COVID-19 pandemic, meaning that questions remained around the feasibility of conducting international fieldwork, especially further afield. Therefore, I decided to focus on European case studies (hence not cases such as Singapore) that are geographically close to one another and are accessible from the UK. Although it is possible to conduct international research using the English language through sampling only English-speaking interviewees, I recognised the limitation of this approach in restricting potential interviewee numbers, leading me to engage with the research methods literature on the topic of language. Goerres et al. (2018) find that academic research, particularly in leading journals, tends to be biased towards English-speaking contexts and English-speaking interviewees, owing to the practical constraints of a lack of language skills in the academy and an overreliance on native speakers of other languages within international projects. This creates its own set of challenges. For example, the research methods literature warns that when a researcher (or research team) is more intimate with one case study among several, for instance when considering their home country in a comparative perspective with other countries, the research risks leading with the aspects perceived as being important in the home country vis-à-vis the other cases (Goerres et al., 2018). This may of course be debated, given that researchers working with international case studies can actively reflect on their risk of bias. After the selection of French-speaking case studies, I undertook training in French to enable me to conduct fieldwork in the language, and

in doing so contribute to the literature on cases that are relatively understudied in English-language academia.

At the outset of the research, other case studies were considered alongside the three that were chosen. For example, both Zurich and Cyprus were considered, as jurisdictions hosting important financial centres, freeports, populations of wealth elites, and being similarly identified in the literature on offshore finance as 'secrecy jurisdictions' (Tax Justice Network, 2022). Moreover, my intention was to include a fourth case study from the UK, most likely London. The decision to not include a British case was made because at the beginning of this project, the UK experienced an extended period of political and economic turmoil. Brexit, the consequences of the COVID-19 pandemic, and the brief premierships of Boris Johnson, Liz Truss and Rishi Sunak converged to create high levels of instability in British policymaking and financial markets (Cotton et al., 2024). Finally, considering the research questions' focus on local ecosystems as well as local urban development, it became clear that comparisons between the three small state case studies that were chosen and a case such as London became would be inappropriate and incompatible with a 'most similar' approach. There is significant disparity in the scale of London in terms of population, physical size and economic output. As such, the project focused on the three cases of Geneva, Luxembourg and Monaco, which also happen to be relatively understudied compared to cases such as London and Singapore. Key features of the three cities, including their types of financial sector, other prominent economic sectors, welfare provisions, housing issues and spaces of elite exit are summarised in Table 1 below.

City	Geneva	Luxembourg	Monaco
Finance industry characteristics	3 rd largest wealth and asset management industry in Europe; commercial and retail banking; commodity trade financing – 1/3 rd of global oil trade and largest trader for many agricultural	Largest asset management industry in Europe and 2 nd worldwide; leading private banking hub in the Eurozone; large retail banking sector; largest centre worldwide for trading	Wealth, asset and fund management; private banking; financial services to non-resident clients; investment funds (European Banking Federation, 2024b).

	products (Fondation Genève Place Financière, 2025).	in green bonds (European Banking Federation, 2024a).	
Other economic sectors	Watchmaking (largest exporter by value) and luxury goods, ICT, business services, tourism, life sciences and engineering, shipping. International organisations and NGOs are major employers (Abdeleli and Turuban, 2024; Ville de Genève, no date) .	Telecommunications, satellite services, legal services, consultancy, ICT, logistics, steel, tourism. European institutions are major employers (Luxembourg Chamber of Commerce, 2020).	Tourism and hospitality, construction and real estate, retail (especially luxury goods), ICT, business services, yachting and maritime services (including maintenance, management and brokerage) (IMSEE, 2023; Global Tenders, no date) .
Welfare system characteristics	Poverty rate of 8.2% across Switzerland, lower than the OECD median (Bundesamt für Statistik, 2022). Compared to other OECD countries, Switzerland performs best in health outcomes and access to public services, and has very high levels of disposable income (OECD, 2022b).	Luxembourg's social safety net has been ranked as the 2 nd best worldwide in terms of social outcomes, with a comprehensive national healthcare system, a low retirement age coupled with high pensions, high levels of child benefits and generous educational spending (Bertelsmann Stiftung, 2022).	Monaco records a zero percent poverty rate (World Bank, 2024). Monaco is one of the few countries in the world where employees pay no social security contributions, several benefits are not means tested, and family allowances and medical care are better resourced than in neighbouring France (Ouédraogo, 2024).
Housing issues	The Swiss housing market is largely rental, with the lowest ownership rate in Europe at 38%; non-profits such as municipalities, foundations and co-operatives 'have a significant share of the market in urban areas, where they are a stabilising factor' upon rent values (Glaser, 2017, p.72). Geneva provides financial support and a strong framework for tenants' rights (Glaser, 2017, p.76).	Construction has not kept pace with rapid population growth in Luxembourg since 2000, and when combined with private sector land hoarding and limited land availability to begin with, this has led to strong house price increases (Stráský, 2020). The supply of unoccupied housing is higher than in other small countries facing supply limitations, such as Switzerland, and there are long waiting lists and shortages of social housing for rent (Stráský, 2020, p.28).	State-owned housing and National Housing Aid is available for Monegasque citizens, making calculations of affordable rents depending on citizens' income levels (Gouvernement Princier, 2024b). Beyond this, Monaco records the world's most expensive property for those renting or purchasing on the private market (Mosconi, 2021a).
Spaces of elite exit	The three cities host a series of spaces of elite exit that are documented in Chapter Six, including portal spaces (or private forms of transport infrastructure), residential exits such as gated or private communities and compounds, necroarchitecture (or properties left vacant for investment purposes) and the most significant luxury freeports in Europe.		

Table 1: Key features of the case study cities.

These three case are valuable for developing the theoretical framework of luxury state capture given that they share relevant characteristics underpinning the theory, as noted in the literature review. For example, Monaco, Luxembourg and Switzerland

have all been referenced as cases in the existing research on state capture, which is noted as being a particularly higher risk phenomenon in the small state context (Palan et al., 2010). The three are offshore financial centres that play an important role in the global financial architecture, which are distinctive due to their high populations of wealth elites. The three also cultivate and promote an association with luxury industries and consumption as part of strategies to attract wealth elites and their capital, including the notion of stealth luxury that was introduced as an evolution in how elites consume and signal status. These cases are thus ideal settings to explore the dynamics of state capture and luxury. Crucially, the three are relatively small cities in both population and geographical terms, thus making it possible to observe the effects of hosting wealth elites and attracting inflows of offshore capital in a setting that is more feasible for the purposes of this project than megacities such as London. Given that these cases are all relatively understudied, this research also builds the evidence base on three elite cities that attract far less attention than cases such as London, Hong Kong or Singapore. Finally, the use of three cases that are all cities enables a consideration of the urban and spatial effects of state capture, emphasising a local dimension that has historically been overlooked in political economy research.

Conducting research across these three cities was beneficial in facilitating comparisons of how luxury state capture is locally and spatially manifested, enabling the development and testing of the theoretical framework in diverse settings. This is key, given that scholars note how replication logic is central to theory building (Eisenhardt and Graebner, 2007). Theories based on individual cases run the risk of describing idiosyncratic and non-replicable circumstances, whereas multiple cases 'create more robust theory because the propositions are more deeply grounded in varied empirical evidence' (Eisenhardt and Graebner, 2007, p.27). It was therefore important for this research to select several case studies for the purpose of gathering data and testing the applicability of the theoretical framework to a range of settings. Moreover, an additional benefit of doing so is that this suggests the possibility of applying theory to other cases beyond those used in this project, which is a potentially

fruitful avenue for future research. After all, offshore financial centres in the small state context have hitherto been generally explored with reference to their role in the global financial architecture, as has the research on state capture (Maurer, 2008; Zucman, 2015; OECD, 2017). Very few studies to date have examined the local experiences and effects of these phenomena, with work on Jersey being the most prominent example in the literature (Hampton and Christensen 1998, 2002; Sikka, 2003).

An advantage of developing and testing the theoretical framework of luxury state capture across three cases is that this creates the potential for future research in a range of other contexts – many of which are understudied in the extant literature – that share characteristics and may also exhibit aspects of luxury state capture. Potential cases range from city-states hosting large offshore finance industries, such as Singapore and Hong Kong, to other small state financial centres in Europe, including Liechtenstein, San Marino and Andorra, as well as global financial centres based in cities in highly decentralised states, such as Zurich and Dubai. This list is not exhaustive; aspects of luxury state capture may be found in other cases, too, through adapting the theoretical framework to local circumstances.

3.5 Epistemology, ontology and positionality

This was an interpretivist qualitative study in its epistemological and ontological basis. Interpretivist approaches highlight the crucial role of local context; the ways in which knowledge, understanding and meaning are local rather than universal; and the role of experiences and culture in shaping an individual's experience and knowledge (Willis, 2007). In the interpretivist framework, the subjective nature of reality is emphasised, introducing the role of perceptions and socially constructed meaning, rather than seeking to understand a single external and objective reality. The use of qualitative methods was a choice that reflects the value that qualitative data has in seeking to understand perspectives, beliefs and motivations around issues and phenomena that were observed in the case studies.

Given that the research design is interpretivist, this requires a reflexive approach, in which the researcher critically understands themselves and how their views and positions may have influenced the process of conducting the research, or their positionality (May and Perry, 2017). In the literature, positionality is described as referring to both an individual's worldview and the position they adopt on the research and its socio-political context, which are shaped by an individual's politics, gender, sexuality, location, race, class, status and so on (Holmes, 2020). It is also important to note that values and politics can and do shift over time, including in the process of conducting research. To this end, I include a brief positionality statement, outlining how my attitudes may have played a role in how the research was carried out.

There is critical media coverage of wealth elites, offshore finance and freeports, along with the case study cities themselves, such as claims of their tax haven status. Given my own experiences of growing up in a low-income setting and my professional background in policy research on inequality, this context shaped my approach in that I critically approached the three case studies. In turn, this critical lens may also have influenced my approach towards interviewees, such as a heightened sense of suspicion. Overall, while I approached the research with a critical lens, I sought to balance this with a conscious effort to recognise the depth and complexity of the issues under consideration. I also noted the diversity of opinions that may lead some to adopt less critical or even supportive stances towards the issues being studied. Through interactions with interviewees, almost all of whom were friendly and generous with their time, I found myself becoming more nuanced in my approach to the case studies. I thus worked to ensure that positive feelings with regards to my perceptions of many interviewees were kept separate from the process of analysing the data, adopting a consistent approach throughout the analysis.

There were several barriers to access which highlight the secrecy of the subject matter. For instance, I received no response from any individual associated with Geneva Freeport; my site visit to Luxembourg Freeport was cancelled at last minute,

although an online interview was later scheduled; and a potential interview with an UHNWI was postponed upon sending information about the research, and no further response was received. In addition, no trade union representatives responded in any of the three cities, despite repeated attempts to contact them. It may be that some potential interviewees understood the risk of my research being critical and decided not to engage. Alternatively, they may simply not have had the time or interest to take part in an interview that had no clear incentive or benefit to them.

3.6 Research ethics

Full ethical approval was sought for this project from the University of Sheffield. Under the ethics application submitted to the university, I intended to recruit between 10 and 15 interview participants in each of the three case studies and noted that these participants could not be construed as vulnerable, and that there would not be highly sensitive topics under discussion. I stated my intention to interview regulators and elected officials, freeport operators, architects and urban designers, investigators (such as academics and journalists), and those working in luxury sectors such as the art industry and jewellery dealers. A series of sample questions for the interviews were submitted to the ethics panel.

The application referenced that potential interview participants will have an overview of the aims of the research provided to them, which I anticipated to do so via email or telephone. While conducting fieldwork, many potential interview participants were introduced to me, or reached over the phone or via LinkedIn, and expressed a preference for talking about the aims of the research when we met, given they had busy schedules. The application noted that elite participants could not be reasonably construed being vulnerable or at-risk, and as such signed consent forms were not requested, given that some may not wish to take part in research where they are named on paperwork which may be attributed to the project. I proposed taking willingness to proceed with the interview as evidence of consent to participate, which

the ethics panel agreed with. This follows advice in the methods literature on this issue, for instance Plankey-Videla's (2012) recommendation to view informed consent as an ongoing process requiring active reflexivity on the part of the researcher – for instance, ensuring that questions asked were in line with how my research aims were explained prior to the interview taking place. Interviewees were asked whether I could record the interview, and for those who declined to be recorded, notes were taken. For those who preferred not to have notes taken during the interview, I took a voice recording upon finishing the interview to the best of my recollection, which was subsequently transcribed, but no direct quotes from these interviews are given in the analysis.

The approach was thus in line with research methods literature on challenges and best practice on researching wealthy individuals, which highlights the need to flexibly adapt to the time and availability of the interview participants, manage access through gatekeepers, clearly articulate the research aims, and stress the commitment to privacy and confidentiality (Barnard et al., 2007). I emphasised anonymity to the interviewees, with names and specific positions removed from the data, instead using generic terms such as 'an art dealer in Geneva' or 'a civil servant in Luxembourg'. Original recordings were deleted from my recording device after transcription, in case I lost the device and recordings were found by a third party. Anonymised transcripts and copies of the recordings were stored in a secure folder on my computer and backed up on an external hard drive. These will be deleted in line with ESRC recommendations following a fixed period after the end of the project.

3.7 Interview participants and elite interviewing

I aimed to recruit between 10 and 15 interviewees in each case study site, or 30 to 45 in total across the three cities. This number falls within the typical range of interview participants seen in qualitative studies, striking a balance between feasibility for an individual researcher to conduct and analyse interviews, ensuring a diverse range of viewpoints are represented, and reaching saturation, whereby enough data has been

collected that further interviews repeat or confirm issues already raised, demonstrating that an adequate sample size has been reached (Baker and Edwards, 2012). The research methods literature calls on researchers conducting qualitative studies to reflect not on 'how many' or to try to quantify a 'saturation point' before undertaking research, but instead to frame choices in terms of research objectives, noting that 'because qualitative research is exploratory by nature, qualitative researchers may not know how much data to gather in advance' (Baker and Edwards, 2012, pp.4-5).

I found that the key themes and responses to questions became saturated before 10 interviews had been completed. This is in line with studies on this issue, which find that saturation in qualitative studies is typically reached at relatively small sample sizes, from 9 to 17 interview participants (Hennink and Kaiser, 2022). Initially, I sought to interview a mix of economic regulators, art industry representatives and others involved in the trade of luxury objects, urban design and urban planning stakeholders, freeport operatives, investigators (including journalists and scholars), and one trade union representative in each city, to gather data from a range of viewpoints. However, there were several issues in participant recruitment. For instance, trade unions proved to be the least responsive and were not included in the sample as a result. As such, while I may have perceived a saturation from the groups, other groups who were not included would likely have provided additional insights. Furthermore, I was unable to schedule an interview with any HNWIs; while I was able to make contact through a gatekeeper, an UHNWI I had been introduced to ultimately did not respond to further communication once the project had been explained. In hindsight, not sampling those working in finance was an oversight; this group could likely have provided valuable insight into a key economic sector of these cities.

The project interviewed professional actors, including art dealers, art insurers, jewellers, auctioneers, freeport operatives, architects, urban planners, journalists, researchers, civil servants and elected representatives. I encountered major challenges in accessing potential interviewees working in freeports and luxury industries, which

was expected given that these are sectors predicated upon a particular commitment to discretion (Helgadóttir, 2020). More generally, these three states and the industries targeted tend to be characterised by an emphasis upon secrecy, along with an importance ascribed to discretion, meaning that connections and introductions are important ways of operating (Hampton and Christensen, 2002; Platt, 2015; Luyendijk, 2016). Other challenges with gaining access to individuals in these settings included the power imbalance tilted away from the researcher, given the powerful positions of the target population in terms of their professional roles and wealth (Morris, 2009). The methodological literature references a number of implications of this power imbalance, whereby the researcher seeking to access elites may find it difficult to incentivise participation in the research, as well as challenges arising from the target participants having very limited time and being protected by gatekeepers such as personal assistants and solicitors, and they may also be reluctant to participate in a study that touches on what are perceived as taboo issues, such as their wealth and assets (Barnard et al., 2007). Researchers studying elites highlight discomfort among elite participants to record interviews, which may be seen as infringing upon discretion, and as such I sought consent to record and explained that everything shared in the interview would be strictly confidential (Harvey, 2011, p.437).

The notion that there is a power imbalance in favour of participants when conducting research among elites is a prominent theme in the research methods literature, with scholars such as Rice (2009) making a series of recommendations to negotiate these unequal power relations that necessitate active reflexivity on the part of the researcher, including adopting a business-like 'insider' approach in some settings, for example in businesses, but emphasising neutral university researcher status in others, such as when interacting with civil servants. Above all, Rice recommends to 'think about interviewing elites more as an intellectual discussion that is different in nature to the respondents' day-to-day routine', thus incentivising participation through creating a space for an intellectual exchange where interviewees may also learn something from the latest research which they may not have time to

read (2009, p.74). There is the additional challenge of the importance that organisations place on defending their external reputation, thus further hindering access and potentially impacting the veracity of responses that interview participants give (Empson, 2018). However, other researchers contest the notion that power dynamics in interviews only ever flow in one direction or that elite participants are less likely to give honest accounts. For example, Morris (2009) highlights that interpretivist approaches such as interviews do not seek to gather objective 'truth' but rather the narratives that interviewees tell, and argues that researchers are far from powerless, even in elite interviews. After all, the researcher develops the questions, interprets the responses, selects quotes from interviews that support claims, and eventually publishes these interpretations, which in turn influences how meaning is created (Morris, 2009, p.214). Herod (1999) likewise emphasises that social meaning is collectively produced by interviewer and participant, arguing that a dualistic notion of power – such as between 'insider' and 'outsider' – is problematic in failing to reflect upon this balance.

My approach to contacting and interviewing participants was to lead with presenting myself as a PhD student interested in the work that a potential participant did. I asked whether they might be open to speaking about their work and answering some questions to help with my research. In the case of positive responses, I gave more information about the research in neutral terms, stating my interest in gathering a variety of perspectives to ensure the work is a balanced account. Interviewees were assured that their answers would be kept confidential and that they would not be identified by name. Interviewees were advised that I could send more information if needed, but ultimately no individual requested further information on the project. Before approaching potential participants, I researched institutional structures (such as municipal, regional or national government agencies, planning authorities, economic regulators and so on), the names of individuals in academia and journalism, important local NGOs, and businesses working in sectors of interest.

In my experience, emails using organisational contact accounts or professional email addresses were not successful, and only very few interviewees were reached in this way, principally researchers and journalists. A more successful approach was using LinkedIn; I sent connection requests to people working in firms or sectors I was interested in, attaching a note that I was a PhD student seeking to connect to ask a few questions. This yielded good results with approaching professionals, particularly those working in urban planning and architecture. However, by far the most successful approach was personal introductions using a snowball sampling approach, whereby those who had already participated in an interview were asked to recommend other potential participants (Marcus et al., 2016). Many of the participants in interviews were reached in this way; for example, an academic researching Monaco introduced a palace official, who then made an introduction to two urban planners working in the city. Beyond this, I reached out to my personal and professional networks, initially asking for contacts in these three cities and later for contacts working in these sectors. Sometimes, this led to surprising pathways, with people working in certain industries having contacts in the case study cities. For instance, a former colleague now working in France had a contact working in Monaco who agreed to be interviewed following an introduction, and a friend in Greece made an introduction to an architect in Luxembourg who was interviewed, again following a personal introduction.

Personal introductions were a very effective means of securing interviews with participants who may otherwise have been reluctant, although not all were successful. As noted above, one participant in Geneva introduced me to a gatekeeper for an UHNWI, and following some exchanges this person provided me with direct contact details. However, despite exchanges that appeared promising at first, this individual ultimately stopped responding once I provided more information about my research. Overall, snowball sampling was a useful technique to overcome the reluctance of professional participants to engage with outsiders. Moreover, interview participants were able to make further introductions after better understanding my research as a result of their local embeddedness, with stronger networks in these cities. Upon

reflection, I also perceived another benefit of a personal introduction as being a sense of a more even distribution of power in the context of the interview. For interviewees contacted directly via email, this was not always the case, and in some instances the participant made a power imbalance obvious; for example, one participant, a politician in Luxembourg, asked not to be recorded but also asked me not to take any notes, which made it challenging to recollect the full content of our hour-long in-person interview. I may have felt more confident asserting the need to take notes had I not perceived a power imbalance. In cases such as this, I adopted what Harvey (2011, p.434) refers to as 'playing dumb', asking the participant to talk about their work and opinions and not seeking to drill further into answers that were given as much as in interviews arranged through mutual connections, in which there appeared to be a parity of esteem.

Interviewing was conducted throughout the early months of 2023, with a first round focusing on interviewees in Geneva, a second round in Monaco and a third in Luxembourg, with several interviews subsequently conducted in summer 2023. Of the 32 interviews, only 5 were held in person, 4 over the phone, and 3 asked me to send a list of questions that they responded to via email, along with responding to follow-up emails to clarify points. 20 interviews were video calls using the participant's preferred videoconferencing software, such as Zoom, Skype and Google Meet. Of the 29 verbal exchanges, 22 agreed to be recorded and 7 did not want to be recorded. 8 interviewees were interviewed in French, particularly those working in the role of 'regulators'. Table 2 below summarises numbers and types of interview participants. 'Regulators' refers to those working in local or national government agencies, 'Art industry' to those working in auction houses, art galleries, as artists directly selling their own work and jewellers, but in Monaco also includes a family office manager who manages the art collection of a wealthy family. 'Urbanists' refers to urban planners and architects, 'freeport operatives' are those working for or in the freeport facilities of these cities, and 'investigators' are academics, journalists and researchers at NGOs.

City	Regulators	Art industry	Urbanists	Freeport operatives	Investigators
Geneva	2	2	2	1	4
Luxembourg	2	3	3	1	2
Monaco	2	2	3	1	2

Table 2: Summary of interviewees.

Interview guides (see Appendices) were adapted to the industry that the interviewee worked in. Following several standard questions, such as about what the interviewee saw as the major issues facing the city they work in and their specific sector, questions were tailored to the group. The interviews closed with questions that asked interviewees to think about their hopes for the city, showing a positive vision aligned with how they perceive the world. This format meant that on big picture issues, such as challenges and visions of the future, there was a degree of comparability, but then on more specialist or technical issues I sought to understand how the participant exercised their professional judgment and values within their area of expertise. Following the interviews, English-language recordings and notes were transcribed into separate documents. For French interviews, I typed up my handwritten notes but used the services of a professional transcription service to transcribe seven recordings, with an agreement on the confidentiality of the recording. The transcription service agreed to delete all copies of the recordings and transcriptions once these were received and the quality was approved by me. I transcribed and translated one French recording myself. In addition to the interviews, other data collection methods were employed, which are explored in the following section.

3.8 Data collection

Data collection was broken up into three phases. To begin, early in the PhD I undertook a five-month intensive French course in Lyon, with three months funded by the White Rose Doctoral Training Partnership. Upon completing the course I had sufficient proficiency in French to read texts and conduct interviews. In total, one-quarter of the interviews were held in French, highlighting that data would have been missed without this training. The initial phase of data collection involved gathering literature relating to the case studies, such as economic data, policy papers, regulations, and previous studies on the economies, societies and politics of the three cities. This was valuable for laying the foundations for the two subsequent phases of data collection: interviewing and site visits. Ahead of the site visits, I made initial contact with potential interview participants before arriving, although ultimately only a small number of interviews were in-person, in part because the stays were short owing to funding restraints. I conducted visits to key sites in the cities such as luxury freeports, financial districts, historic centres, offices of major corporations and urban redevelopment sites to collect other forms of data, using photography and my own notes on affective atmospheres, which are expanded upon below.

3.8.1 Photography as a research method

Human culture is saturated with visual images which impact us emotionally and intellectually, not only in our environments but in our homes and indeed in our hands through smartphones (Holm, 2014). The use of photography in this project was deployed in line with the approach described by Holm (2014), who highlights that photographic images are inherently subjective, and draws attention to the ambiguity in how photographs are constructed and the intent the image was taken to convey, meaning that reflection on positionality is vital. As such, while I propose interpretations of the photographs, other interpretations are possible by the viewer, who has a different relationship with the image and what it represents. The approach of Pink

(2007) also guided the use of photographs, who argues that text is not superior to photographs, but rather that the two are complementary and can be deployed simultaneously to drive forward the analysis of a research project. This project's use of photography fits into a tradition of using photographic images in research, such as Virilio's (1994) influential study on the design of bunkers on the Atlantic Wall in France, highlighting evolutions in military defensive fortifications and memory culture. Likewise, Egremont's (2011) study of the former German region of East Prussia, today divided between Poland and Russia's Kaliningrad exclave, is evocative in its use of photographs, which are interwoven with interviews and the author's reflections on affective atmospheres, combining to highlight how history, memory, heritage and architecture can be used for political purposes and embody sets of values that can change over time. Similarly, Atkinson's (2020) work on London uses photographs of luxury developments, high-end cars, expensive boutiques and so on to bolster the case made in the book, namely that dead spaces or 'necrotecture', stripped of social life and given over to investment, are proliferating in the elite neighbourhoods of the city. Photographs of high-end apartment buildings and houses with darkened windows at night manifest this sense of structures being stripped of their cultural or practical shelter functions. This research was influenced by these approaches, seeking to capture images that represent the wealth of these places, the urban realm (re)shaped by this wealth, the consumption driven by this wealth, but also how this wealth circulates within the local ecosystem.

On site visits, I took photographs for a variety of purposes. I photographed prominent buildings that dominated their surroundings and images that struck me as highlighting a particular tension. Some photographs capture the cars or shops catering to wealth elites, and others capture spaces that appeared to be designed to evoke certain emotional responses in the person entering a space, such as the lavish lobbies of hotels and casinos in Monaco. I was interested in the use of surveillance and other defensive strategies, such as those around the freeport facilities. I photographed buildings where regulators and industries shared spaces, and the long lists of

companies headquartered in buildings, which at many times appeared to suggest that each individual room on each floor was the headquarters of a company. The contrast between historical architecture and contemporary functions caught my eye, such as the rows of grand houses along Lake Geneva crowned with advertisements for expensive watches or converted into the offices of international firms of lawyers and wealth managers. When a space made me feel awed, dwarfed, dominated or otherwise emotionally impacted, I took a photograph, creating images of clusters of office blocks and towers in the three cities. The photographs were mostly captured on a Canon EOS 1200D Digital SLR camera, but also on a mobile phone camera in cases where this would be more discreet, such as when photographing apartment blocks or hotels. Additionally, following an accident at the beginning of the fieldwork phase where I fell and broke an elbow, using my camera which required two hands was cumbersome, meaning I used my phone more often, particularly immediately following the accident.

In short, I intended to capture photographs of what appeared to be significant sites for representing the political, social and economic order of space, but crucially the trigger for taking a photograph came when a space evoked a feeling in me. This more spontaneous or unplanned approach to collecting photographs is in line with the approach described by Langmann and Pick (2018, p.22), who refer to such snapshots as 'important fragment[s]' that capture a 'decisive moment', or an important aspect of the study. My research is informed by ideas such as Atkinson's (2019) notion of 'necrotecture', and as described above, this research makes use of photography to highlight the effects that wealth and policies designed to shield that wealth have upon urban space. I use photographs in line with the practice outlines above, approaching the case studies with a set of ideas about wealth elites and the effects they have on the city, transforming the function of housing, infrastructure, the urban design of the street, and the kinds of shops, services and other functions that exist in urban space. I also use these images to demonstrate ideas that emerged in the literature review and interviews, along with my own experiences in the spaces.

3.8.2 Affective atmospheres

Affective atmospheres are described as a transpersonal sense or feeling 'in the air' within an affectively charged space, with emotional responses generated by a feeling body in an experiential environment (Michels, 2015). An affective atmosphere can be seen as a metaphor for thinking about social relations and interactions taking place between individuals, or individuals and spaces (Leff, 2021). The value of gathering data on affective atmospheres is to 'make visible the ways in which the social is affectively composed', with social research itself depending on and emerging through the emotional and subjective responses of the researcher, participants and spaces (Michels, 2015, p.261-262). There is a growing literature on this topic, exploring both its meaning and how to use it as a method for the purposes of research. Anderson's work on affective atmospheres highlights how the concept unites the objective and the subjective within research on the social, and 'holds a series of opposites – presence and absence, materiality and ideality, definite and indefinite, singularity and generality – in a relation of tension' (2009, p.77). Anderson notes that in everyday life we think about affective atmospheres as 'mood, feeling, ambience, tone and other ways of naming collective affects', which can be applied across a variety of forms, from artworks to rooms, buildings to landscapes, and societies to epochs (2009, p.78). Anderson describes how affective atmospheres 'are a class of experience that occur *before* and *alongside* the formation of subjectivity, *across* human and non-human materialities, and *in-between* subject/object distinctions' with a clear spatial dimension, either surrounding or enveloping the individual (2009, p.78). This spatial and bounded quality of the concept makes it possible to consider the affective atmospheres of urban spaces, from individual rooms to larger assemblages of buildings and landscapes in terms of the mood, feeling or ambience of the space. In doing so, the space becomes an active part of the research process, rather than an inert backdrop.

Michels provides a helpful guide on researching affective atmospheres, which are described as comprising three dimensions: spatio-materiality, sensuality, and (in)stability, adding that the concept rests on an ongoing philosophical debate around the relationship between feelings and emotions (2015, p.257). Michels' framework sees affective atmospheres as composed by the aesthetic qualities of a space, the sensual capacities of the human body, and the interaction between these two which can (de)stabilise or transform the atmosphere, which in turn leads to the emergence of new atmospheres (2015, p.258). Aesthetic qualities here refer to design, lighting, furniture, decoration, architecture and so on; the sensual capacities of the human body are the senses we use to navigate the world, or what we see, hear, smell, taste, touch and feel as part of our 'experiential worlds' (Michels, 2015, p.259). Furthermore, Michels writes about the (in)stability of affective atmospheres, noting that while these phenomena are multiple and can never exactly resemble another, similarities and patterns in their compositions can be observed. In short, there are '*modes* of atmosphere-making that reproduce or challenge specific patterns of atmospheric compositions'; consider for instance classical orchestra performances in concert halls, where there may be changes in the material environment or the bodies in that space, yet similar atmospheres are consistently produced (Michels, 2015, p.261).

There is a turn towards considering affective atmospheres in humanities and social science research. Shaw (2014) uses data on the affective atmosphere of night-time Newcastle-upon-Tyne, contrasting field notes on the crowds engaging in heavy drinking, rowdy parties and policing to maintain public order, alongside vignettes formed through conversations with taxi drivers and street cleaners. This research creates a broader concept of the urban night as a 'placed assemblage' through the affective atmosphere of 'the buzz, sensation and feeling of the city centre at night' (Shaw, 2014, p.93). Another study used insights from literature analysis, interpretations of scenes on major streets of London, UK and Graz, Austria, photographs and interviews (Abusaada and Elshater, 2021). The researchers found that affective atmospheres are experienced through four dimensions: the visual (scale of buildings,

for instance), aesthetic (sensibility, warmth and richness of a space, such as through lighting), social (interactions taking place, feelings, e.g. of safety) and spiritual (responses such as surprise and shock).

Research in a retail setting describes affective atmospheres as comprising material features of the space, sensory modalities of the body within that space, and social interactions taking place, based on site visits where the researchers took notes on ambience, employee behaviour, and customer interactions with products, staff and other customers, supported with photographs and notes on the designs, layouts and encounters that took place (Joy et al., 2023). In another use of affective atmospheres, criminologist Fraser writes, for too often 'the street has operated as an inert backdrop – an incidental *mise-en-scène*', despite an 'invisible yet tangible sensescape that imperceptibly shapes action and interaction' through the intersections of bodies, buildings and atmospheres (2021, p.217). Fraser's research constructs vignettes through noting the non-visual and sensory elements of space that can be both affective, referring to a register of experiences beneath the sense of consciousness, and emotional, or more easily articulated, i.e. as feelings (2021, p.220). In doing so, the research constructs a 'street habitus' within a geographically bound area, comprising individual and collective memories of the affective atmosphere of a space. Fraser (2021) recounts the smells, sounds, movement, feelings of threat, temperature, behaviour of other individuals in the space, and the urban design of streets in research carried out with gang members in Manchester and Sheffield. A similar approach is found in research on the affective atmospheres of surveillance, which argues that 'surveillance society' can be understood as the production of a series of affective atmospheres of control or being under surveillance (Ellis et al., 2013).

The use of this method began with walking around in the three cities in locations that I determined as being crucial to the social, political and economic ecosystems in these places. The use of walking as a methodology is described by Knowles as '*an epistemology and a methodology, a way of conceptualising the city from*

the ground, in motion, navigating through it' (2017, p.300). In a paper on walking London's Mayfair, Knowles (2017, p.301) uses the method of the walk to capture the 'surreal dream-like and spectacle qualities... crystallised into Mayfair's built, commercial and human fabrics', conducting research through observing and overhearing in an elite space where the wealthy congregate, socialise and network in luxurious, secure and semi-private environments. I documented site visits, walking around the freeport sites, wealthy residential areas, spaces of power such as near palaces, parliaments and cathedrals, as well as around commercial spaces – art and antique galleries, jewellery shops, hotels, bars, casinos and the financial districts of the three cities. I used a voice recorder and camera to capture impressions and experiences at various points, noting the visual or material design aspects of the spaces and the impressions these left upon me, the interactions observed or had with other people in these spaces, and my emotional responses to these. These impressions, drawn from walking in the case study cities, form data on the affective atmospheres of the sites for the purposes of the research, which were intended to capture to better understand the social relations of the elite spaces I moved through as an outsider.

3.9 Data analysis

The project began with an initial literature review but was later expanded with further engagement with the academic research and analysis of documents collected on the sites, including planning, policy and strategy documents. This was thus analysis of secondary data. Document analysis has been described as the process of 'evaluating documents in such a way that empirical knowledge is produced and understanding is developed', with data examined to elicit meaning, gain understanding and develop empirical knowledge (Bowen, 2009, p.33). The process of conducting interviews and site visits led to additional literature recommendations being incorporated in the review, encapsulating a dynamic, two-way relationship between data and existing literature that is in line with contemporary developments in literature on research

methods (Kutscher and Howard, 2021). Bowen's (2009) work on using document analysis as a qualitative research method describes how the analytic procedure involves finding, selecting, appraising and synthesising data from documents, yielding data in the form of excerpts and quotations which can be organised into themes, categories and case examples through skimming (superficial examination), reading (thorough examination) and interpretation. According to Bowen, doing so builds a basis of evidence for claims and corroborates findings in research with those reported by other researchers, which in turn also reduces the impact of potential biases. Indeed, reports and other forms of qualitative material can provide empirical data for case studies, giving insight into issues relevant to the research questions (Bowen, 2009, p.29). Beyond the literature review, three forms of empirical data were collected over the course of this project: interview data, photographs, and data on affective atmospheres in the form of field notes and voice recordings.

3.9.1 Interviews: analysis

32 interviews were conducted, of which 22 were recorded, 3 took place via email and 7 were not recorded. Notes taken during the interview were added to the beginning of the transcript. Where interviewees indicated that they did not want to be recorded, notes formed the basis of the transcript, either taken during the interview or in a small number of cases immediately afterwards, but direct quotes are not given from these interviews as the notes taken can only be considered as an approximation of what was said. Approximately one-quarter of the recordings were in French. The transcripts underwent a thematic analysis and coding using NVivo and were coded twice. The first attempted used a coding framework drawn directly from the research questions, which resulted in a small number of very large coding categories (e.g. 'economic impacts', 'political impacts', 'social impacts' and so on). However, the categories of this first round became very large and cumbersome as I was still becoming acquainted with the transcripts and found it challenging to manage hundreds of pages of data across

dozens of documents. The coding categories that emerged in this first attempt (a second round is described below) were large and few, being closely related to the research questions. For example, derived from RQ1, there were categories on local politics, economics and social issues; derived from RQ2, there were categories on urban design, urban planning and infrastructure; and derived from RQ3, there were categories on the ideas that interviewees discussed, such as competitiveness and growth. Ultimately, I adopted a different approach to coding following advice from my supervisors.

Subsequently, the transcripts were coded using a more inductive approach, which meant seeking to find major thematic areas in the responses that participants gave at interview. The benefit of the inductive approach to coding is that it enables the researcher to approach the data in a way that follows the logic and ideas underpinning the claims that interviewees themselves made, such as when a response connected to overarching ideas that may not have formed part of the research questions (Soss, 2006; Lindekilde, 2014). This resulted in 53 coding categories that are listed below, with smaller numbers of quotes per coding category but a richer and deeper level of analysis deriving from highlighting issues, concepts and attitudes from the transcripts that were not envisaged in the initial research questions. In several rounds of coding, larger categories were broken up into smaller categories with greater levels of granularity; for example, a coding category on freeports was broken down to freeports' architecture, impacts and regulations, along with several other themes. I actively reflected on the results of rounds of coding to check that the categories captured important themes that represented my understanding of the interviews and how interviewees made sense of the issues we were discussing. This is in line with the reflexive thematic analysis approach, highlighting the role of the researcher's position in conducting and carrying out the research to identify relevant themes in data collected (Braun and Clarke, 2019). In total, 53 categories were identified over several rounds of coding in which the initial categories of the coding were revised as demonstrated in Table 3 that follows:

Initial coding category	Final coding categories
<i>Local politics</i>	Decision-making processes
	Political orientation
	Political structure
<i>International connections</i>	International comparisons
	International pressure
<i>Luxury sector</i>	Art buyers
	Challenges facing artists
	Luxury industries
	Regulation of the art market
<i>Local economy</i>	Competition
	Economic sectors
	Experimentation
	Finance industry
	Moving wealth
	State support
	Tax
	Workers' rights
<i>Freeports</i>	Connections between freeports
	Demand for freeport services
	Freeport architecture
	Freeport impacts
	Freeport regulations
	Role of freeports in art market

<i>Local society</i>	Inequality
	Locals as a minority
	Parallel societies
	Population displacement
	Quality of life
	Security
	The super-rich
<i>Citizenship</i>	Acquiring citizenship
	Benefits of citizenship
<i>Identity</i>	National identity
	National pride
<i>Informality</i>	Informal systems
	Lobbying
	Secrecy
	Trust
<i>Criminality</i>	Criminality
<i>Urban challenges</i>	Access to housing
	Congestion
	Density
	Functional region beyond borders
	Necrotecture
	Speculation

	Sustainability
<i>Urbanism</i>	Infrastructure
	Urban design
	Urban planning processes
<i>Perceptions and feelings</i>	Affective atmospheres
	Future
	History
	Unreality

Table 3: Coding categories of the interview transcripts.

A key question arising from the data is the extent to which interview statements might be considered honest, or how candid interviewees were. The research methods literature highlights that the issue of participant veracity is an important aspect in conducting interviews – after all, interviewees may have motives of seeking to protect their own reputations, or those of someone else or an organisation, which can lead to a risk that participants emphasise some points and downplay others (Randall and Phoenix, 2009). However, my research aims were not to find an objective truth, but rather to explore the subjective attitudes and perceptions of the places and issues being discussed within an interpretivist framework. The interpretivist approach focuses on making sense of the reality that participants construct, which means veracity is not the main goal of conducting research. Rather than the factual accuracy of interviewees' responses being a problem that impedes finding the objective truth of the matter, they are themselves valuable examples of the context of the case studies. Moreover, on a practical level interviewees' responses were cross-checked to test for the veracity of events or situations described, and during the interviews I probed answers where my

understanding of responses was not clear, also reframing questions to interviewees where it appeared they had misunderstood the intention of the question.

3.9.2 Photographs: analysis

Much of the research making use of photography elicits images from research participants, rather than the researcher themselves; moreover, the literature using photography typically lacks detailed information on the analytical methods employed to analyse the images produced, with Holm (2014, p.398) arguing that the reason for this 'might be that there is not one specific approach and that the field is relatively new for many researchers.' Pink (2007, p.117) argues that the use of photography meshes well with the interpretivist framework, given that images are arbitrary and constructed, influenced by subjective experiences and the individual who has produced, analysed or is viewing the image. However, Langmann and Pick (2018) instead contend that there are a variety of methods available for analysing photos. The authors describe an approach of semiotic analysis of photographs, seeking to elicit meanings and signs in a process of discovering 'enfolded cultural knowledge and significations (Langmann and Pick, 2018, p.112). This guided the project's approach to analysing the photographs, considering the semiotic approach as both identifying the signifier in the image – what is shown – but also giving an interpretation of this signifier, based on understanding of the local context and the wider research. As such, the approach to analysing the photos is interwoven with the approach to the data on affective atmospheres, with the process of collecting both forms of data taking place concurrently. The photos are used to demonstrate key trends in the urban spaces of the three case studies, but also where their use illustrates issues found in the literature or discussed by interviewees.

3.9.3 Affective atmospheres: analysis

The final kind of data analysed was gathered on site visits and walks through the cities to capture impressions of affective atmospheres. Walking is not solely a meditative practice that enables reflection and introspection, but it also engages the senses, creates emotional responses and memories that shape perceptions, and uncovers issues relating to power and resistance, such as impressions of access, surveillance and policing (Bates and Rhys-Taylor, 2017; Knowles, 2017). Such sensory data and personal impressions are often missing in research that focuses on the written or spoken word, yet they are crucial to understanding how it feels to navigate a space. There has in recent years been an embodied or sensory turn in the sociological literature, and a movement towards greater consideration of affective atmospheres. The approach taken here recognises that the senses – sight, sound, touch, taste and smell – are engaged in a complex process of interaction with our knowledge, experiences and perceptions (Mason and Davies, 2009). Indeed, even photographs may be considered as capturing elements of the sensory dimensions of a space. I therefore analysed the photographs in tandem with reflecting upon my own memories and feelings of a space, supported with field notes and voice recordings that were taken during site visits which recorded perceptions of these spaces. The analysis of affective atmospheres is introduced in the empirical chapters to show how the cityscape, landscape and/or spaces inside buildings interacted with the body of the person conducting the research (Brennan, 2004; Anderson, 2009; Michels, 2015). I reflect on impressions of the affective atmospheres within spaces designed to impress, to show power and wealth, or conversely to conceal power and wealth. This helps to understand how power and status are signified within the elite spaces of three elite cities to somebody who is observing from the perspective of an outsider.

4. Case Studies

4.1 Introduction

This chapter is broken up into three sections that profile each of the three case studies, before a final section that summarises key data and reflects on the comparability of the cases. Compiling this chapter revealed that, while Geneva has a robust base of literature, research on Luxembourg is relatively poorly developed in comparison, and Monaco has a very weak extant literature base. The contribution of this chapter is thus twofold: providing important background information on the context in which the research took place, but also highlighting gaps in our knowledge on these cities.

4.2 Geneva overview

Halbert (2008) describes Geneva as an example of the best globalisation has to offer, with its prosperous, cosmopolitan population, socially liberal attitudes and a well-maintained cityscape, in which green spaces and water are interwoven with embassies, United Nations agencies and NGOs that collectively stand as a monument to international peace and cooperation. At the same time, Halbert uses the city as an avatar of the dark side of globalisation, characterised by strict policing of protest, extravagant and environmentally damaging consumption, and the ubiquitous presence of international organisations that take secretive decisions about war, famine and disasters affecting the most vulnerable. This research project seeks to explore some of these same tensions: between Geneva as a wealthy, progressive centre of human rights on the one hand, and on the other the city's inequalities and secrecy.

Geneva is the second-largest city of Switzerland and is the capital of its canton, officially named the Republic and Canton of Geneva. This French-speaking city was historically associated with Calvinism and was a stronghold of the Protestant Reformation throughout the 16th century, leading to the nickname of 'the Protestant

Rome'. Geneva was the birthplace and home of the philosopher Jean-Jacques Rousseau, associated with the notion of the social contract and trailblazing work on inequality. Following a long history as an independent city-state, Geneva fell under French control following the invasion of the French Revolutionary Army in 1798. Subsequently, Geneva was admitted to the Swiss Confederation in 1814 at the Congress of Vienna, after the defeat of the Napoleonic armies. Geneva has a long history of hosting international institutions; the League of Nations, a precursor to the United Nations, was based in the city following its establishment in 1919. The long tradition of Swiss neutrality meant that Switzerland itself only joined the UN in 2002, despite Geneva hosting many offices of the UN after the Second World War.

For much of its history, Geneva's leaders focused on cultivating relations with the wider world, rather than with the immediately surrounding French territories with their political, religious and economic differences; indeed, it was only in the 21st century that the idea of *Grand Genève* (Greater Geneva) as a cross-border metropolis taking in surrounding regions of France became prominent (Sohn and Scott, 2019). In terms of its geography, Geneva lies at the southwestern tip of Lake Geneva, one of the largest lakes in Western Europe, and the River Rhône flows through the city on its way to the Mediterranean Sea. The City of Geneva (*Ville de Genève*) covers 16 square kilometres, and the larger Canton of Geneva covers 246 square kilometres, being surrounded by France on all sides except for a very small connection to the Swiss Canton of Vaud in the north. The canton is densely populated, with the functional urban area of Geneva covering almost all of the canton's territory. At its greatest distance, the French border is only a 20-minute drive from downtown Geneva. Its location in the heart of Europe means that within a few hours from Geneva by road are some of Europe's largest cities and wealthiest regions. Switzerland's well-developed rail network and a major airport with extensive international connections, owing to Geneva's role as a centre of world diplomacy, further cement the city as a well-connected place in which to do business.

Some 42% of the 524,000 residents of the Canton of Geneva are of foreign origin (Bundesamt für Statistik, 2024). The population is becoming progressively more international; high population growth, which is forecast to continue over the next two decades, is almost entirely driven by inward migration. Over the period 2014 to 2022, two-thirds of the increase in population resulted from inward migration (Office Cantonal de la Statistique, 2023b). Other statistics underscore the increasingly diverse population of the Canton of Geneva, with figures showing that only 34% of residents have solely Swiss nationality, 36% have a foreign nationality, and 30% are dual nationals, with Swiss and one other citizenship, meaning that two-thirds of the population have an overseas background or connection – a proportion that is projected to keep increasing in the coming decades (Office Cantonal de la Statistique, 2023a). Within the City of Geneva itself (the municipality comprising the urban core of the canton), there are 103,000 Swiss citizens, or 49.9% of the population, and 103,500 residents with foreign citizenship, or 50.1% (Bundesamt für Statistik, 2024). Again, the trend is towards increasing internationalisation, meaning that the population with overseas citizenship in the urban core of Geneva is growing every year, and the proportion with Swiss citizenship is slowly falling. In addition to the resident population, figures show that around 160,000 people commute across the border into Geneva for work (Bundesamt für Statistik, 2023a). Most of these cross-border workers are French, although one-fifth are Swiss citizens (Sohn and Scott, 2019, p.23).

Geneva's highly cosmopolitan population is often portrayed as a major strength of the city in economic and cultural terms. For example, the municipal authorities of the city describe 'Geneva, city of diversity' as being 'unique', with its diversity underpinning 'an economic dynamism based on the vitality of its inhabitants' (Ville de Genève, 2014, p.2). However, research has highlighted how the scale of migration into Geneva is associated with several challenging trends. For example, concerns around the scale of inwards migration appears to have contributed to the growth in support for the right-wing populist Swiss People's Party, which came first in the 2023 federal elections (Joyeux and Klopfenstein Brogini, 2023). In addition, an economic model

dominated by foreign workers has impacted upon everyday language use and decisions around language policy in the city. Researchers have found that in Geneva, the English language has become increasingly prominent as a language at work, which in turn has driven changes in language learning that can be perceived as a threat to the notion of plurilingualism, a cornerstone of Swiss identity (Waltermann and Csillagh, 2016). Rather than learning German and Italian (the other major federal languages), young people in Geneva increasingly prioritise English, which challenges the Swiss notion of intercultural cohesion and communication, as well as integration of the 26 cantons of Switzerland into a common plurilingual space. Whereas a survey found that English is seen by learners in Geneva as the language of pop culture and economic opportunity, German is seen as ugly and difficult, albeit more connected to national history and identity; this is despite research showing that proficiency in German is associated with higher salary increases in French-speaking Switzerland than proficiency in English (Waltermann and Csillagh, 2016, p.79). This tension over language use and learning highlights how pursuing an internationalised economy and population is a challenge to one of the core pillars of Swiss identity.

Economically, Geneva is an important centre of international diplomacy, which does not generate direct tax revenue but helps stimulate demand for a large hospitality sector, alongside business forums and tourism. The city also has an important finance and commodity trading industry, as well as prominent luxury industries (particularly watchmaking, auction houses and art dealing). 72% of the tax revenue of the canton comes from financial services, commodity trading and watchmakers, showing how prominent these sectors are in the economic life of Geneva (Statistique Genève, 2023). Alongside its important financial centre, Switzerland is also a hub for the global art trade, with both art and finance being attracted by the tax advantages on offer but also the country's traditional neutrality, permissive legislation, and reputation for stability and secrecy (Guex, 2016). As of 2023, Geneva has an unemployment rate of 3.7%; low in international terms, but the highest rate of unemployment for any city in Switzerland (Bundesamt für Statistik, 2023b). Figures show that 92,300 people, or 18%

of the canton's population, are HNWIs, which is the second highest proportion in the world after Monaco (Henley and Partners, 2022). The city is also notable for having one of the highest concentrations of UHNWIs in the world, especially among those living elsewhere but keeping a second home in the city (Altrata, 2023, p.12). However, despite this wealth and a relatively robust welfare system, Geneva is characterised by inequalities of health and wealth. For example, research has found that men from migrant backgrounds and those on lower incomes have worse health outcomes and are more likely to die below the average life expectancy in the city (Ladoy et al., 2021).

The Swiss cantons have significant devolution and extensive reserved powers, acting as member states of the Confederation with significant autonomy that is fiercely guarded. While the Swiss central government maintains control over the armed forces, currency, international relations, customs, migration policy and telecommunications, the cantons are sovereign in all other policy areas, including taxation and business regulations (Spahn, 1997). The Canton of Geneva is a stronghold of the Socialist Party, a nominally centre-left political party. Alongside this cantonal system, Switzerland operates on the principle of direct democracy, with several rounds of referenda per year on all manner of topics, ranging from the legalisation of gay marriage to tobacco advertising rules, and the policy on animal testing to regulation of the finance sector. Fossedal (2002) argues that the model of direct democracy in Switzerland enabled a landlocked country with mountainous terrain and few natural resources, as well as a population riven by religious and linguistic fault lines, to become a peaceful, integrated and prosperous society in which each citizen feels their voice matters. As such, the principle of participation direct democracy is another pillar of Swiss identity, alongside the notion of plurilingualism introduced above.

4.2.1 Regulations on citizenship and residency in Switzerland

The process of acquiring Swiss citizenship is complicated and can be intergenerational. Migrants must demonstrate ten years of residency before applying for citizenship and

have to provide evidence of being successfully integrated, referring to having no criminal record or debt collection proceedings. The applicant must also have demonstrable fluency in a national language, not have claimed any social assistance and have been in work or education for at least three years prior to applying, also repaying in full any social assistance benefit payments received while living in Switzerland and providing evidence of respect for Swiss values and encouraging family members to integrate (Secrétariat d'Etat aux Migrations, 2019; 2020). Swiss citizenship is a birthright only to the children of Swiss citizens; children born in Switzerland to foreign parents do not automatically become Swiss. The application process is somewhat simpler for the grandchildren of migrants to the country, who may apply provided they meet certain requirements, including having at least one parent with a permanent residence permit and evidence of continuous residency in Switzerland for at least ten years, evidence of the applicant attending compulsory schooling in Switzerland, holding a permanent residency permit and being resident in the country, and being under the age of 25 at the time of applying (Secrétariat d'Etat aux Migrations, 2020).

Acquiring citizenship means participating as an equal member of the community in activities such as elections and referenda, as well as holding rights accorded to citizens, such as the right to leave Switzerland for an extended period and subsequently return without having to apply for a residency permit. However, dual nationals have unequal status in that the Swiss government reserves the right to revoke the nationality of dual citizens whose 'conduct is seriously detrimental to Switzerland's interests or reputation' (Secrétariat d'Etat aux Migrations, 2019). For those working in Geneva, fulfilling residency requirements to apply for citizenship can be considered a major challenge in one of the least affordable property markets in the world. Access to social housing in Geneva for those on low incomes is contingent upon applicants having lived in the city for at least two years prior to applying (Ville de Genève, 2022). For those on lower incomes, there is thus a structural barrier to accessing affordable housing and thereby meeting residency requirements for later making a citizenship

application. Indeed, Geneva has been ranked as the third most expensive city in the world to live (Mercer, 2022). As noted above, this high cost of living causes large numbers of people working in Geneva to commute from across the international border with France. The cross-border Greater Geneva city-region has over one million inhabitants, and local governments in Switzerland and France within the region cooperate on various policies, most notably public transport connectivity to keep workers flowing into Geneva.

4.2.2 Regulations on finance and luxury freeports in Switzerland

Banking secrecy has been a cornerstone of the Swiss finance industry for more than 300 years (Meier et al., 2023). The current law, the 1934 Federal Act on Banks and Savings Banks, has been expanded several times to strengthen banking secrecy, and under Article 47 it is a federal crime to disclose information about banking activities to overseas entities, third parties or Swiss authorities without consent or an accepted criminal complaint (Bundesrecht, 1934). Given foreign pressure since the 2008 GFC, Swiss banks have implemented legislation on the international automatic exchange of information in tax matters (Meier et al., 2023). However, as a reaction to this, the notion of Swiss banking secrecy has become a mainstream political issue. While the Social Democrats and Greens in the Swiss Parliament oppose banking secrecy, a referendum in 1984 strongly supported maintaining secrecy provisions, and all other political parties support banking secrecy, which is regarded as beneficial for the Swiss economy; moreover, the Swiss People's Party, the right-wing populist party that came first in the 2023 election, has made several attempts to enshrine banking secrecy as a constitutional right (Überbacher and Scherer, 2019).

Further guarantees for banking secrecy are found in the Swiss civil code, which is a codification of private law on property, family and obligations. Article 27 gives a customer the right to take action against a bank for damages in cases where secrecy is violated and private information is disclosed, thus ensuring banker-client secrecy

(Bundesrecht, 1907). Moreover, while there is not (as yet) an article explicitly guaranteeing banking secrecy, several articles of the Federal Constitution touch on this issue; for example, Article 13 guarantees the secrecy of mail and communication as well as protection against the abuse of personal data, Article 27 guarantees economic freedom, and Article 94 states that, within the limits of federal powers, the state shall strive to create favourable conditions for the private sector (Bundesrecht, 1999).

Regulations on freeports in Switzerland were historically lax; as Steyerl (2017) notes, until the 21st century these facilities were not officially considered part of the country for tax and customs purposes. Following scandals of looted art discovered within the facilities, in 2009 Article 66 of the updated customs law required that freeport managers maintain inventories of the contents of warehouses, as well as the names of individuals entitled to dispose of the items (Bundesrecht, 2009). In 2016, further regulations were introduced to tackle money laundering and the trade in illicit antiquities, requiring greater transparency around transactions, either through the use of an intermediary to remove anonymity or, in the case where confidentiality is maintained, the seller is required to undertake a process to verify the legality of the source of funds (Steiner, 2017, p.366). The new regulations also introduced six-month time limits on storage, which was intended to reduce secrecy by encouraging regular inventory turnover, although the federal customs authorities may extend time limits on stored objects if they determine it is suitable to do so (Steiner, 2017, p.367-368).

4.3 Luxembourg overview

Hesse describes Luxembourg as a key example of the global enclave space, or an island of regulatory circumstances that host specialised economic activities in response to globalisation, commenting that when researching Luxembourg, 'the level of wealth, growth dynamics and international network relations is almost unparalleled, given the size of the country' (2014, p.612). The very high levels of wealth and global connections of the Grand Duchy were not the case for much of its history. Luxembourg is a small,

landlocked country in Western Europe, bordered by France to the south, Germany to the east and Belgium to the north and west. The historical significance of Luxembourg derived from its large fortress, the so-called 'Gibraltar of the North', in is a strategic location that has been fought over for centuries. Following a long period of rule by the House of Habsburg (monarchs of Spain and Austria-Hungary, among others), the fortress of Luxembourg fell to the French Revolutionary Army in 1794. At the Congress of Vienna in 1815, Luxembourg was designated as a duchy within the United Kingdom of the Netherlands, although Prussian influence on Luxembourg grew over the course of the nineteenth century. The Prussian military only withdrew its garrison from the fortress and recognised Luxembourgish independence and neutrality in return for an agreement to dismantle the fortifications in 1867. Luxembourg became fully independent in 1890 with the death of William III of the Netherlands without an heir, leading to a new line of Grand Dukes on the Luxembourgish throne. Over the course of the 20th century, Luxembourg was twice conquered by Germany. Following the Second World War it became a founding member of the UN, NATO and the European Coal and Steel Community, which would ultimately evolve into the European Union.

The capital city of Luxembourg shares the same name as the state, being referred to as Luxembourg City to distinguish between the two. Luxembourg City has a population of 133,000, of whom 94,000 or 71%, are foreign, with 160 nationalities represented among the population (Ville de Luxembourg, 2023). The migrant population is growing rapidly throughout the state and inward migration drives almost all population growth, with the result that 49% of the population are foreign-born and 47% have foreign citizenship (STATEC, 2023a). Census data also show that only 26% of Luxembourg's population have no migration background (STATEC, 2023a). The administrative boundaries of the capital city cover 51 square kilometres of the 2,586 square kilometre territory of the state; however, analysis by the OECD highlights that the functional urban area of Luxembourg City is much larger, both in terms of area and population. The functional urban area of the capital is inhabited by 565,000 people out of a total population of 660,000, or 86% of the Luxembourgish population (OECD,

2022a). As such, Luxembourg City dominates, drives and shapes the economic fortunes of the state (Wong et al., 2022).

Approximately 200,000 people cross the Luxembourgish border for work every day, with Luxembourg City acting as the economic heart of the *Grande Région*, an international metropolitan region made up of Luxembourg, the German states of Rhineland-Palatinate and Saarland, the French region of Lorraine, and Belgium's Wallonia region, an area in which 75% of cross-border commuters travel to work in Luxembourg (Grande Région, 2020). This is the largest daily cross-border flow of anywhere in Europe, putting tremendous strain on Luxembourg's transport infrastructure, and creating housing pressures within the state and in border regions of neighbouring countries (Affolderbach and Carr, 2016). The *Grande Région* has initiated several collaborative projects, including transport infrastructure, education and skills training, recognising the cross-border nature of the Luxembourgish economy and its labour and infrastructural demands. Hesse (2016) refers to this cross-border workforce as 'borrowed size' that supercharges Luxembourg's economic growth. Statistical research finds that the *Grande Région* has much greater inequality within the region than within the countries that comprise the region. For example, studies have shown that while poverty is virtually non-existent in Luxembourg owing in part to the generous welfare provision within the state, in surrounding areas where large numbers of cross-border workers are located, as many as 19% of residents live below the poverty line (Allegrezza et al., 2004, p.280).

Luxembourg is one of the world's wealthiest countries and has one of the most generous social welfare systems on the planet. Researchers highlight that the pension system is particularly generous in an international perspective and has substantial reserves, which is coupled with the lowest effective retirement age in the EU (International Monetary Fund, 2019). The country is additionally the most generous donor of official development assistance relative to GNI in the world (OECD, 2023). The Luxembourgish social safety net has been ranked as second best in the world, with

researchers highlighting the availability of housing assistance funds to mitigate high housing costs, free childcare and high child benefits, but also noting an overreliance on cross-border key workers in sectors such as healthcare that was shown to be particularly problematic during the COVID-19 pandemic (Bertelsmann Stiftung, 2022). Alongside this generous welfare system, Luxembourg records very high levels of personal wealth among residents. The latest figures show that there are 47,110 HNWIs in Luxembourg, or 7% of the population (Capgemini, 2024). Luxembourg has the world's highest median wealth (\$372,258 per adult) and second-highest average wealth (\$607,524) after Switzerland, and UBS (2024) finds it has the highest proportion of USD millionaires per capita of any country, at 16% of adults. However, research also shows that inequality in Luxembourg has a clear ethnic dimension. While earnings instability and wealth inequality has decreased among Luxembourg-born citizens over time, the opposite is true among migrants in the country, for whom figures show that economic inequality and earnings instability have increased (Sologon and Van Kerm, 2017).

Luxembourg historically had an agricultural economy. The 19th century was characterised by the rapid economic expansion of Luxembourg driven by its steel industry, underpinned by the abundant deposits of iron ore in the country and benefiting from a customs union with neighbouring Germany. The decline of the steel industry in the 1970s saw Luxembourg pursue finance and European institutions as twin pillars of the national economy. The unemployment rate in Luxembourg stands at 5.5% as of January 2024 (STATEC, 2024). The country scores very highly on a variety of international rankings of competitiveness, for instance having been ranked as the top country in the world for talent attraction for two years in a row (Luxembourg Trade and Invest, 2023). Around one-third of Luxembourgish GDP is derived from the finance sector, with IT and e-commerce also being important components of the national economy (Lloyds Bank International Trade Portal, 2023). However, the rapid growth of the Luxembourgish economy is not without its challenges, including a dysfunctional housing market and 'relentless difficulties in keeping development under control', with

the state being unable to satisfy demand for land for construction, effectively manage its transport infrastructure, or achieve housing affordability for large parts of the working population (Hesse, 2016).

Researchers have identified Luxembourg as one of the major satellites of the New York-London 'finance axis', with American asset management firms choosing the country as the first location for setting up funds to invest money in Europe, ahead of London (Wójcik et al., 2022; Weeks, 2023). In fact, Luxembourg is the second-largest investment fund domicile in the world after the USA, which researchers find is driven by European financial integration and built on a history since the 1920s of the country seeking to establish itself as a centre of private wealth management (Wójcik et al., 2022). The country can thus be thought of as a specialised financial centre for the European market that does not seek to compete directly with Wall Street or the City of London but instead provides a variety of auxiliary services (Musschoot et al., 2023). Hesse (2016) ranks Luxembourg alongside cities such as Geneva or Dublin as a small and specialised international financial centre. Beyond this, Luxembourg is further positioning itself to be a European hub for the space sector, with a regulatory, taxation and R&D regime in Luxembourg that has driven not only a booming commercial satellite industry but also businesses focusing on the prospect of commercial mining of asteroids (Brennan, 2019). The Luxembourg Space Agency offers generous financial support to space mining start-ups and Luxembourg is the second country in the world after the USA to have implemented a legal framework that secures property rights for companies to extract resources in space (Ram, 2017).

Luxembourg is a constitutional monarchy in which the Grand Duke has symbolic powers, such as appointing the prime minister and government, dissolving parliament, promulgating laws and accrediting ambassadors. The country is organised into four electoral constituencies and uses a form of proportional representation for elections, with a total of 60 members sitting in the unicameral Chamber of Deputies. Governments are coalitions, with seven parties represented in parliament as of the

2023 elections. The Christian Social People's Party, a conservative, pro-European party, is the dominant force in Luxembourgish politics and has been the senior partner in all but two governments in the post-WW2 period. Since 2021, foreigners may vote in municipal elections upon registering as resident in the country (Rao, 2024). However, only Luxembourgish citizens may vote in national elections. Given that the foreign-born population without citizenship stands at 47% and is forecasted to continue growing rapidly, very soon a minority of the resident population will be making decisions in national elections in which the majority is disenfranchised.

Many interviewees voiced the opinion that Luxembourg welcomes migration and there is relatively little social discord around the issue. A report in RTL (2023), the country's public broadcaster, described the Grand Duchy as 'a prosperous and peaceful state, a haven of moderation in a Europe gripped by exacerbated nationalist temptations.' Further exceptionalist thinking was demonstrated in the article, with experts such as an academic in Luxembourg arguing that the far-right 'have more difficulty advancing in a favourable economic climate' such as that within Luxembourg (RTL, 2023). However, it does not seem to be the case that Luxembourgers are uniquely positive about migration in a Europe that is moving rightwards on the issue. For example, a referendum in 2015 sought to address the coming problem of minority rule in Luxembourg by proposing to extend the right to vote in national elections to all those living in the country, regardless of their citizenship status. 78% of Luxembourgish citizens voted against the proposal, on a turnout of 87% (Gouvernement du Grand-Duché de Luxembourg, 2015). This overwhelming result against reform suggests that Luxembourgish citizens are uncomfortable with the idea of equal participation for the large migrant population that fuels the country's economy. This was followed by results of the most recent election in 2023, in which the right-populist Alternative Democratic Reform Party came in fourth place, and shortly afterwards won its first European Parliament seat in the 2024 EU elections. Alongside opposing gay marriage and adoption, the party advocates defence of the Luxembourgish language, Swiss-style direct democracy, economic liberalism to the

right of the ruling conservatives, and in perhaps the clearest dog-whistle, previous manifestos stressed the need to take pride in Luxembourg's heritage based on 'Greco-Roman civilisation with Judeo-Christian traditions' (Alternativ Demokratisches Reformpartei, 2006).

4.3.1 Regulations on citizenship and residency in Luxembourg

In common with the example of Geneva above, citizenship is not automatically granted to the children of those who migrate to Luxembourg. The country's nationality law permits nationality by birth to the children of Luxembourgish citizens; in cases where the parents are not citizens, the child may gain citizenship upon turning 18 provided that at least one parent lived continuously in Luxembourg in the year preceding the child's birth, and the child also lived continuously in Luxembourg for the five years preceding their 18th birthday (Service de la Nationalité luxembourgeoise, 2023). For those who move to the country and seek to apply for Luxembourgish citizenship, evidence of five years of legal residence is required. This is a challenge for those on lower incomes in one of the world's most expensive property markets, who are most likely to commute from across the border. The Luxembourgish property market is characterised by land hoarding, land banking and state disengagement from land which have resulted in a major housing crisis in which relatively little development is taking place compared to the scale of demand (Paccoud et al., 2022). For instance, data from 2020 showed that Luxembourg had average property prices of €7,145 per square metre, compared to an average of €4,523 in neighbouring France, €3,727 in Germany and €2,583 in Belgium (Deloitte, 2020). Applicants for citizenship may also never have been given a custodial sentence of more than 12 months, or a suspended custodial sentence of 24 months or more, in any country, and they must furthermore pass a series of exams. These include a certified test on the history of Luxembourg and its European integration, Luxembourgish institutions and the fundamental rights of

citizens, along with tests in the Luxembourgish language conducted over two days (Service de la Nationalité luxembourgeoise, 2023).

This linguistic criterion appears to be challenging for migrants to fulfil as research shows that the Luxembourgish language is threatened by the scale of migration and is increasingly little used in the country, having been displaced by English and French in the workplace (Kremer, 2017). Luxembourgish has been added to the global list of endangered languages, highlighting that in several key domains it is no longer used, including in public and everyday life (UNESCO, 2021). As per the latest census, 49% of the population gave Luxembourgish as their main language (STATEC, 2023b). The country's tradition of multilingualism means that its legal and political systems operate in French, which is also an important language of business, and German is the language of the media and is prominent in higher education. English has emerged as the key language of business, particularly in finance and the European institutions. As such, compelling migrants to pass exams in a language that has little written tradition and is increasingly rarely spoken, even by citizens themselves, creates a significant barrier to acquiring citizenship. This is especially the case when combined with residency requirements, which overlooks the fact that a significant component of the workforce is forced to commute across an international border owing to the severe shortage of housing within Luxembourg.

4.3.2 Regulations on finance and the luxury freeport in Luxembourg

Luxembourg has several laws protecting banking secrecy and offering favourable taxation regimes to international businesses. The 1929 Holding Company Regime enables companies to be exempted from taxation provided they meet certain requirements around acquisition, holding and maximising of value, encouraging international businesses to set up holding companies within the country (Wójcik et al., 2022). Under Article 41 of Luxembourg's 1993 Banking Act, finance professionals are required to maintain the confidentiality of information and banking secrecy, unless a

judicial demand in a criminal procedure is received (Commission de Surveillance du Secteur Financier, 1993). Punishments for finance professionals who breach client confidentiality are described under Article 458 of Luxembourg's criminal code, with six-month prison sentences and fines of up to €5,000 (Gouvernement du Grand-Duché de Luxembourg, 1997). Against this backdrop of banking secrecy, Luxembourg has positioned itself as a leading centre for international asset management and investment funds. The state has cultivated itself as an offshore jurisdiction following implementation of the EU's Undertakings for Collective Investment in Transferable Securities legislation in 1985, subsequently abolishing trade capital tax, reducing corporate income tax and applying a 0.06% tax on fund assets (Wójcik et al., 2022).

Luxembourg's freeport, opened in 2014, is regulated under the 2011 law on value added tax, which suspended VAT, customs duties and excise duties on objects for as long as they are held 'in transit' within the freeport (Gouvernement du Grand-Duché de Luxembourg, 2011). However, following a series of scandals involving the facility, oversight has been enhanced. The European Commission (2023) is also seeking stricter regulation of freeports within the EU, which a recent report argued are associated with sanctions evasion, distortion of state aid rules, and is associated with risks of money laundering and tax evasion.

4.4 Monaco overview

The Principality of Monaco is the second smallest sovereign state in the world. Covering an area of just two square kilometres where the Alps reach the Mediterranean Sea, the city-state is divided into ten wards, the largest of which is Monte Carlo. The city has a population of 39,050, of whom 9,686 have citizenship, or just under 25%, with the other three-quarters of the population comprising 140 nationalities, the largest groups of which are French, Italian and British (IMSEE, 2022b). Within this small minority of citizens, two-thirds acquired citizenship by birth, with the remainder through marriage or naturalisation; thus, just under 17% of Monegasques are

descended from parents also born in the city-state (IMSEE, 2022b). Monaco is surrounded on three sides by France and is fewer than ten miles from the Italian border. Long associated with wealth and luxury, Monaco is characterised by its hotels and casinos, the Monaco Grand Prix, and the Monaco Regatta which sees yachts from around the world gather in Port Hercules, among other events on the principality's social calendar.

Monaco was originally an Ancient Greek settlement. The Grimaldi dynasty seized control of the fortress on the Rock of Monaco in 1297, and the family remains on the throne over seven centuries later. In common with the two other case studies, Monaco was conquered by the French Revolutionary Army in 1793, and following the Congress of Vienna in 1815 it was designated as a protectorate of the Kingdom of Sardinia, but ultimately France regained control of the area (Veenendaal, 2020). Under the 1861 Franco-Monegasque Treaty, the French government accepted the independence of the principality in return for an agreement to annex 95% of the state's territory to France, including the towns of Roquebrune and Menton, which today host large populations of people crossing the border to work in Monaco. In the second half of the nineteenth century, Monaco began to position itself as a resort attracting European aristocrats, and a continuous process of advancing new luxury offerings and environments was set in motion that continues to the present day (D'Hautesserre, 2005; Gonot-Schoupinsky, 2021). In 1863, the SBM or *Société des Bains de Mer de Monaco*, established the *Casino de Monte-Carlo*, in which locals were and still are forbidden to work. As a result of SBM's activities, a major gambling industry emerged in Monaco, which was to strongly shape the physical development of the city and growth of its high-end tourism industry, which eventually crowded out other economic activities over the decades before the Second World War (Franke, 2022).

Following the Franco-Monegasque Treaty of 1861, a policy of land reclamation was begun to expand the land area of Monaco; this accelerated in the 1960s, and today some 20% of the territory comprises land reclaimed from the sea (Rosticher Giordano,

2013). Monaco was occupied by the Axis powers in the Second World War. The principality only joined the United Nations in 1993. Under the 1918 Franco-Monegasque Treaty, Monaco accepted the role of France in its foreign affairs and is in a customs union with France, meaning the country is today associated with the EU customs territory and VAT area, although the principality still has independence in its external trade relations. An updated 2002 Franco-Monegasque Treaty gave greater weight to Monegasque sovereignty, removing provisions that would have made Monaco a protectorate of France in the case of a vacancy on the throne, as well as removing the need for French assent on succession issues. The treaty also laid the ground for the establishment of the *Commission de coopération franco-monégasque* (Commission for Franco-Monegasque Cooperation), which meets annually to set a framework for cooperation on issues such as economic development and regulation, policing and security, transport infrastructure and housing policy. As Donaghy and Clarke (2003, p.3) show, 'France has by no means been an innocent by-stander in Monaco's offshore development', with the authors developing the concept of 'onshore patronage', with powerful states influencing the development of offshore financial centres in small states such as Monaco. This accords with other research on tax havens, such as studies of Caribbean states whose emergence as offshore financial centres was encouraged by the British government in the period of decolonisation (Shaxson, 2011).

The Princes of Monaco held absolute political power until the 1910 Monegasque Revolution, following which a semi-constitutional monarchy with democratic elements was introduced. In 2024, a government corruption scandal erupted in Monaco, with the former administrator of the princely estate revealing a scheme to conceal the royal family's wealth and assets, moving money from Monaco to banks in Geneva, and onward to offshore companies in Panama, the British Virgin Islands and beyond, as well as foreign properties registered under the names of palace employees (Davet and Lhomme, 2024). The implications of these revelations for support for the Grimaldi family, or for Monegasque foreign relations, remain to be seen. However, there is little evidence of criticism of the prince or royal family among

elected politicians in the state. The National Council is the unicameral parliament of Monaco which has 24 seats, all of which are held by the conservative, pro-royal Monegasque National Union since the 2023 elections, making the principality effectively a one-party state. Considerable powers are retained by the monarch, who shares power with the parliament and may dissolve it and hold new elections at any time, thus making the princes of Monaco more politically active and powerful than most other European royals (Veenendaal, 2020). Prince Rainier III oversaw a transformation in Monaco during his rule from 1949 to 2005, orientating the economy away from gambling towards offshore finance. The Prince's international profile – and perhaps also the reputation of Monaco – increased following his marriage to the glamorous Hollywood actress Grace Kelly in 1956.

Rainier III's rule also witnessed a dramatic change in the built environment of Monaco, with belle époque mansions catering to wealthy international tourists torn down and replaced with concrete high-rises housing both Monegasques and international residents, a series of ambitious land reclamation projects which created entirely new wards of the city, and several speculative plans that did not come to fruition, including proposals for floating settlements in the territorial waters of the state (Rosticher Giordano, 2013). The latest land reclamation project is Mareterra, an extension to Monte Carlo forecast for completion in 2025, which markets itself as a sustainable extension to the territory of Monaco. The district, partially designed by Renzo Piano, comprises 110 luxury apartments and 10 super-luxury villas, along with new commercial and office space (Savills Monaco, 2024).

Monaco's economy is diverse, with finance, commodity trading, tourism, real estate and IT being among the largest sectors (IMSEE, 2022a). Cross-border workers sustain the economy; 49,000 people commute across the border for work, comprising an overwhelming majority of the 55,000 private sector employees in Monaco (Bonarrigo, 2023). In fact, only 1,000 private sector employees have Monegasque citizenship (Bonarrigo, 2023). While salaries are high, the trade-off is that labour rights

in Monaco are diluted compared to other countries in Europe. For example, working hours are longer than in France, and the Article 6 law gives employers the power to fire employees at will without needing to provide a reason, which trade unions argue leads to exploitative practices, such as employees being afraid to ask for time off, sick leave, or even to not work on weekends (Mosconi, 2021b). Monaco has the highest GDP per capita in the world, at \$240,862, and records a zero percent poverty rate (World Bank, 2024). There is an absence of income and wealth taxes for residents (excluding French nationals, as per treaties with France). Monaco residents are exempt from gift and inheritance taxes, and businesses benefit from a five-year progressive corporate income tax exemption and face no direct taxes on business profits other than corporate income tax for some activities, with businesses that derive less than 25% of income from outside of Monaco or operating in sectors such as strategic, intellectual or R&D consultancy fully exempt from corporate income tax (IHL, 2022). All these factors make Monaco an attractive destination for wealth elites to benefit from the favourable taxation regime on offer. Monaco has the highest proportion of wealthy residents of any city in the world, with 15,600 residents, or 44% of the population, classified as HNWIs (Henley and Partners, 2022). Indeed, Monaco also has 'by far and away the highest level of UHNWI density' of any country in the world, with one per 39 residents (Altrata, 2023, p.1).

4.4.1 Regulations on citizenship and residency in Monaco

For the international super-rich residents of the city-state, Monaco is the ultimate space to see and be seen among other networks of globalised elites (Spence, 2016). Local Monegasque citizens who are not included in this elite group have access to a highly generous welfare system, including rent-controlled housing, free apartments for those in need, and universal healthcare and education. The process of acquiring citizenship is complicated, in common with the two other case studies. Indeed, research finds that micronations typically have extremely restrictive citizenship laws,

'which in some cases make it almost impossible for migrants to obtain citizenship and political rights', (Veenendaal, 2020, p.161). However, the Monegasque government also offers the opportunity to become a resident, which grants zero income, local, withholding and wealth taxes for all but French citizens, who are required to pay as per an agreement with the French state, and citizens of the small number of countries such as the USA that levy worldwide taxes. As per 2016 regulations (revised in 2020), to qualify for residency, a person must either spend 183 days per year in Monaco, have their principal home in Monaco, or have Monaco as the main location of their business activities (Gouvernement Princier, 2024a).

The children of married Monegasque citizens automatically acquire citizenship, but children born out of wedlock qualify for citizenship only once legitimised by the marriage of their parents. Applications for citizenship are made directly by letter to the Prince. Foreigners who seek to apply for citizenship must renounce any other nationality and need to have lived in Monaco for a minimum of ten years continuously since the age of 18, although the Prince is permitted to waive requirements at his discretion. Monaco is the world's most expensive real estate market, with average prices per square metre at €47,600, more than double the price in New York and triple that of Paris (Mosconi, 2021a). Given this context, only those on very high incomes can afford housing costs to comply with residency requirements; the tens of thousands of cross-border workers supporting the economic activity and welfare system of Monaco are highly unlikely to ever be eligible to acquire citizenship. There are no formal linguistic requirements attached to citizenship, although prospective applicants are expected to demonstrate integration into the economic, social and cultural life of Monaco to be 'deemed worthy of this favour by the Sovereign Prince' (Gouvernement Princier, 2023). French is the sole official language but Monegasque, a dialect of the Ligurian language, continues to be taught in schools and is considered a key part of national identity (Passet, 2019).

4.4.2 Regulations on finance and the luxury freeport in Monaco

Perhaps the most famous piece of legislation in Monaco is the 1869 law abolishing land tax, personal income tax, property tax and patent tax in the territory of the principality (Gouvernement Princier, 1869). This tax regime has driven interest among wealth elites in residency or citizenship of the city-state. Recognising the potential threat this poses to tax revenues, in 1963 the French government signed a bilateral treaty with the Monegasque authorities meaning that French citizens in Monaco are subject to income tax owed to the French state (Gouvernement Princier, 1963). As in the other two case studies, banking secrecy is guaranteed by law (except in the case of a judicial order). Also in line with the two other case studies, the city's freeport facility enables the storage of high-value goods, noting that duties and taxes are withheld for an unlimited duration, provided that goods do not enter the territory of the EU (SEGEM, 2018). In Monaco, the Commission for the Control of Personal Information is an independent authority tasked with protecting personal data, including individuals' rights to secrecy (Gouvernement Princier, 1993). However, concerns have been raised about how Monaco's financial system holds and processes data. A report by the Council of Europe cited poorly maintained ownership databases, weak enforcement of money laundering laws, and insufficient oversight of suspicious transactions, particularly regarding the principality's opaque real estate sector (Moneyval. 2022).

4.5 Case studies: key data and summary

	Geneva	Luxembourg	Monaco
<i>Population</i>	207,000 (city) 524,000 (canton)	133,000 (city) 660,000 (state)	39,000
<i>% of population with citizenship</i>	50% (city) 58% (canton)	29% (city) 53% (state)	25%
<i>% of population without migration background</i>	34% (canton)	26% (state)	17%
<i>HNWIs</i>	92,300 (18% of canton)	47,110 (7% of state)	15,600 (44%)
<i>Number of cross-border workers</i>	160,000	200,000	49,000
<i>Financial secrecy score (Tax Justice Network, 2022)</i>	Switzerland: 70/100	Luxembourg: 55/100	Monaco: 74/100
<i>Area</i>	16km ² (city) 246km ² (canton)	51km ² (city) 2,586km ² (state)	2km ²
<i>Cross-border organisation for cooperation</i>	Greater Geneva	<i>Grande Région</i>	Commission for Franco-Monegasque Cooperation
<i>Official languages</i>	French; English is increasingly important as a working language	French, German and increasingly English as working languages; the Luxembourgish language is endangered	French; the Monegasque language is severely endangered
<i>Political system</i>	Federal republic with direct democracy and division of power between elected federal and cantonal governments	Grand Duchy with parliamentary constitutional system, power held by elected government and parliament	Principality with semi-constitutional monarchy; elected National Council has limited legislative initiative, monarch retains significant power

Table 4: Comparison of the three case studies (sources for the data appear in the city profiles above).

Geneva, Luxembourg and Monaco present substantial value for comparison as three small, globalised cities in Western Europe with very high GDPs, advanced offshore finance industries, highly diverse populations, and large numbers of cross-border workers. The three cities are also identified as hosting the most prominent luxury freeports in Europe. The three are important financial centres, albeit of differing scales. According to the Global Financial Centres Index, an assessment of the international competitiveness of financial centres, Geneva is ranked 10th, Luxembourg 16th and Monaco 84th (Wardle and Mainelli, 2023). Financial centres are grouped into three tiers on this ranking. Luxembourg is in the first tier, referring to global financial centres, as a 'relatively deep global specialist financial centre'; Geneva is in the second tier, for international financial centres, as a 'broad and deep established international financial centre'; and Monaco is in the third tier, for local financial centres, as a 'relatively deep local specialist financial centre' (Wardle and Mainelli, 2023). This highlights the varying degree of international orientation in the finance industries of the three cities, as well as their relative degree of specialisation.

All three score relatively highly on the financial secrecy index included in Table 4 above, which is a metric developed by the Tax Justice Network (2022) to quantify how much financial secrecy a jurisdiction's legal and financial systems allow, with 100 being the maximum score. Switzerland, Luxembourg and Monaco have all previously appeared on the OECD's 'grey list' of uncooperative tax jurisdictions, denoting a lack of transparency and effective exchange of information. While no longer classified as such, researchers have continued to raise concerns about the transparency (or lack thereof) of the offshore finance industries based in these three states (Urry, 2014; Sabatino, 2020). Furthermore, with their wealthy populations, large financial sectors, geographical locations, and access to areas of outstanding natural beauty or sites of historical significance, the three are examples of the kinds of exclusive, place-bound communities in which elite actors congregate to consume, network, socialise and do business (Beaverstock et al., 2004; Hay and Muller, 2011).

A challenge in this study is the scale of comparison and the different governance arrangements in place. Geneva is a city dominating a canton that is in turn part of a small to medium-sized country, albeit one with an exceptionally devolved political structure. The city is a global centre of diplomacy, hosting numerous international organisations, and has a diverse economic base, with manufacturing activities and especially watchmaking being an important part of the Genevan economy. Monaco is a city-state with both municipal and state-level policy enacted simultaneously, while in a customs union with France and hence the EU but retaining powers on various economic policies. Luxembourg is an unusual case, with the functional urban area of the namesake capital city containing almost 9/10ths of the population of the state (OECD, 2022a). Therefore, decisions made at the national level are invariably shaped by Luxembourg City, which has its own municipal tier of government for policies covering the urban core. Luxembourg has actively courted European institutions and promotes itself as a third capital of the EU, alongside Brussels and Strasbourg, meaning the city hosts a very large number of international diplomats and bureaucrats. For this reason, the cases are within nested arrangements, as follows:

- Geneva: considering the city and the canton, but also considering issues relating to Swiss federal law (such as customs) and developments within the Greater Geneva cooperation mechanism for surrounding French regions.
- Luxembourg: considering the city and the state, of which the functional urban area of Luxembourg City includes 86% of the population (OECD, 2022a), with reference to the *Grande Région* for cooperation between Luxembourg and neighbouring regions of Germany, France and Belgium, as well as EU issues.
- Monaco: considering the city-state, with reference to the wider urban agglomeration across the French border and also noting bilateral agreements with France under the Commission for Franco-Monegasque Cooperation.

While these local contexts may be points of differentiation, they also make it possible to consider how a common model manifests itself through these contextual filters,

with the model referred to here being one of pursuing offshore finance, the residency of wealth elites, luxury industries, international organisations, and creating spaces with relaxed regulations on taxation and strict rights to secrecy. Switzerland, Luxembourg and Monaco are identified as centres of the private banking system, which have today developed wider networks of business and professional services for wealthy clientele (Beaverstock and Hall, 2016, p.404). The three also share commonalities of having been identified as tax havens, and further back, all three took on their modern form in the nineteenth century, following conquest by the French Revolutionary Army. Furthermore, the economies of these cases depend upon a workforce of foreign workers, large numbers of which commute over nearby international borders, and the cases themselves have a majority non-citizen resident population. Linked to this, strict requirements to apply for citizenship ensure that Swiss, Luxembourgish and Monegasque citizens benefit from highly generous welfare states, while also closing off as far as possible the access of the foreign workers to this social safety net.

In designing and carrying out this research, I considered the three cases as cities in small states. There is no clear definition of a small state; a variety of metrics have been suggested, from population size (such as below 10 million people), land area, economy (such as less than 1 per cent of total world GNP), and/or military power (Maass, 2009). While all three meet the criteria for small states, there is clearly a distinction, with Monaco more closely conforming to what might be considered a micronation, on par with states such as Liechtenstein and San Marino (Ó Súilleabháin, 2014). Research on small states notes the importance of their international relations and economic connections beyond their borders in everyday politics (Steinmetz and Wivel, 2010). Scholars have also noted that small states are frequently understudied. Veenendaal and Corbett (2015) argue that this means the value of research on small states is significant, as it has the potential to fill knowledge gaps and test the extent to which dominant ideas or assumptions apply outside of the context of the larger states that dominate scholarly attention.

5. Local Ecosystems

5.1 Introduction

This chapter sets out findings in relation to the first research question, which asks 'what is distinctive about the local political, economic and social ecosystems of these cities?' The concept of an ecosystem was introduced earlier, referring to the 'multiple actors of a diverse nature existing in a territory, interrelated and interdependent, sharing factors and a common destiny' (Catala et al., 2023). This concept is useful for thinking about the 'institutional container' (Shankar Jha, 2006) of political, economic and social factors and relationships of the case studies, as well as the external pressures acting upon them. The findings presented here are based on data gathered on site visits and in interviews with participants in professional positions, and they uncover the ways in which luxury state capture impacts upon the local ecosystem of these cities.

The chapter begins by considering the local and cross-border externalities of the economic model pursued in these three cities, demonstrating the broader context of the ecosystems. The second section considers issues of integration and inequality, highlighting how interviewees viewed migration status as the key social division in these cities, with very little reflection on economic inequality. The third section considers transparency and secrecy, reflecting on how these concepts impact upon decision-making in the cities. The fourth section considers perceptions of security and criminality risks. Where appropriate, the analysis highlights common aspects of the cities or notes differences between them. The purpose of this chapter therefore is to establish the distinctive characteristics of the local ecosystems of luxury state capture.

5.2 Local and cross-border externalities

While the three cities included in this research have some of the highest personal wealth and GDP per capita figures in the world, participants spoke about a series of

negative externalities or consequences of life in such wealthy places, especially impacting foreign workers on lower incomes. These externalities are experienced within the cities but crucially also appear to be felt across international borders, including France in the case of Geneva, France and nearby Italy in the case of Monaco, and France, Germany and Belgium in the case of Luxembourg. The three cities function as economic engines at the centre of transnational regions and serve as significant sources of employment and income for a wider international region, with all three experiencing large daily inflows of cross-border workers relative to their local populations. This has the effect of sustaining very high levels of economic growth; Hesse's (2016) concept of 'borrowed size' shows how the growth and output of the Luxembourgish economy is dependent on being able to make use of the territory across the border as a source of labour that the state cannot physically accommodate. This concept could equally be applied to Monaco and Geneva.

Political economy research has often overlooked cross-border externalities, such as those relating to workers and housing issues. Indeed, it is only in the past two decades that the role of borders has become more prominent in the literature, such as in studies on the cross-border dynamics of innovation and economic development (Tripl, 2006; 2010). The movement of people who work in a city across an international border owing to prohibitively high housing costs is an issue that appears not to have attracted a great deal of scholarly attention, despite the obvious social and spatial justice implications flowing from a lack of residency on which to apply for citizenship for these workers, as well as the impacts on infrastructure and air pollution of international commutes. The three cities of this project are among the most expensive real estate markets in the world that are virtually inaccessible to those on lower incomes without state support. The high cost of housing results in what is in many cases an involuntary movement across the border, especially among foreign workers on lower incomes who are unable to make use of generous local welfare systems.

A prominent issue across the three cities was access to housing, and particularly the perception that it is virtually impossible for most people to access housing on the private market. As an urban planner in Monaco commented, 'it's not possible for people like us to buy houses', noting that for citizens, government-owned housing is an option, but for those who are foreign workers, the only option is to seek housing across the border. Another interviewee in the city, an official working in the royal palace, noted that while the state provides housing to citizens, some Monegasques choose to look for housing across the border where properties are larger and prices relatively lower. Likewise in Geneva and Luxembourg, participants spoke about foreign workers needing to commute across the border, but several also stated that they increasingly observe citizens commuting across the border out of economic necessity. For example, one participant, an academic researching Luxembourg, commented that many Luxembourgers increasingly choose to live in France and Germany as they can afford larger houses across the border than they can within the country. A similar point was made by a real estate developer in Luxembourg, commenting that 'even middle-class people are struggling to actually buy anything', with this participant viewing access to housing as a key driver of increases in inequality within the country. Meanwhile, an urban planner in Geneva stated that key issue facing the city is that 'we have a chronic, ongoing housing crisis that we are unable to escape from.' In all three cases, those working on planning the urban space of the city viewed the housing crisis as inescapable and did not view their work as being able to change this situation.

Large parts of the working population are based across a nearby international border, primarily but not exclusively foreign workers, with participants in Luxembourg and Geneva stating that this has the cross-border externality of precipitating a ripple effect of housing price increases in the neighbouring country. An urban planner in Geneva gave the example of a professor he knew in a French town across the border. This participant stated that in French border regions, house prices have been inflated by the large influx of people working in Geneva who earn higher salaries but commute across the border to work, with the result that those working on the French side are

also displaced further away, given that cross-border workers with higher incomes compete for the housing in their areas:

'This [professor] cannot find accommodation just across the border because he does not earn enough, so he will have to live further away. We [Geneva] encourage this movement. This is not at all in line with the reason why we are working today: the ecological transition' (urban planner in Geneva).

Meanwhile, on the French Riviera, participants noted that access to housing is a major challenge across the international region, spanning French cities beyond the Principality of Monaco including Saint-Tropez, Cannes, Antibes, Nice and Menton, as well as across the Italian border in towns such as Ventimiglia. A French civil servant working on economic development in the French Riviera spoke about how young people from the region 'should be able to live here where they were born', but 'now they basically have to leave as they cannot afford it.' Simultaneously, this interviewee highlighted a labour shortage in the region, with an economy that needs new workers, yet too few jobs that pay a salary commensurate with the cost of living: 'you can work very easily and earn a good salary compared to elsewhere in France, but you cannot find a house to live in!' This demonstrates that foreign workers commuting across the border to Monaco are competing for housing with residents who live and work in the wider French Riviera, having the effect of pricing some local people out, and also that filling service roles is becoming increasingly difficult in a context of the lack of affordable housing in the international region, potentially leading to longer commutes from areas further away from Monaco where housing costs are relatively lower – which again has the risk of displacing locals from these areas.

Participants spoke about the generous provision of services by the government of Monaco that are accessible to citizens, such as universal healthcare and education, as well as the abolition of taxes that was seen as a positive benefit of well-run public finances by a Monegasque urban planner. However, most frequently the interviewees spoke about how Monaco provides citizens with housing and state employees with

subsidised accommodation. An academic who researches Monaco stated that this system was 'not some economic ploy but a way to make a compromise with the local populace', rooting the welfare system and abolition of taxes in Monaco's history, following an uprising in 1910 that threatened to overthrow the monarchy. As such, the abolition of taxes, and later the establishment of a comprehensive welfare state, ensure the government retains support from Monegasque citizens. This perceived generosity was also seen as a legitimate reason to restrict access to citizenship:

'The state realised that providing nationals with housing meant that they could not increase Monegasque nationality indefinitely... Nowadays, we find barriers regarding access to Monegasque nationality because this nationality gives rights that some call "privileges". Nationality gives the right to housing and this allows Monegasques to find housing in their own country' (palace official in Monaco).

Similarly, interviewees spoke positively about well-funded and participatory policy interventions in Geneva such as social housing, and an urban planner in the city referenced Geneva's 'substantial budget to invest' in services. A former politician spoke about the high quality of life in Geneva, and during the interview doubted that there is any meaningful degree of economic inequality in the city, suggesting a strong belief in the safety net provided by the welfare system:

'In Geneva you have quality. Everything is very high quality... And the state is very, very open. It gives you some help and allows you to live correctly... There is a system that works. And especially when you are dependent on the state, there are many schemes... It's far from perfect, but if you are looking for perfection, you will always be disappointed. I would say that inequality is not a major issue in Geneva' (former politician in Geneva).

In Luxembourg, although interviewees acknowledged the generosity of the welfare state, a more laissez-faire approach towards housing policy was referenced, describing

how housing had hitherto been principally supplied through family networks and ownership of land. Interviewees universally felt that this is a system that has broken down, in part because of population growth and in part because of speculation around land. The following interviewee appears to attribute the housing crisis to speculation by foreign investors:

'Luxembourgish families used to have the funds to buy something, or citizens were able to get mortgages when the interest rates were still low. It was always alright. But now, we realise that housing has started to become a problem even for middle-class Luxembourgers. Land has gained such value here, not only because it's very lucrative, but also because of speculation. A lot of people came here and bought land solely to sell it again for a profit. And this process has been repeated so much until there is such a high price that it's just not possible anymore. Yet prices stay high because of how high the demand is' (real estate developer in Luxembourg).

Another interviewee highlighted that the scarcity of affordable housing has begun to impact Luxembourgish citizens, reflecting on the difference she observed over several decades in the changing dynamics of the housing market:

'My father was a mechanic and my parents were not rich, but we could afford an apartment. Now, for people on those kinds of salaries it became almost impossible to buy something. And at the same time, there's also a certain scarcity of housing. For the moment, the rents are also rising enormously. They were stable for some years because there were a lot of investments in real estate, so there was a certain offer in many municipalities. But now because the people who could buy something before no longer can, they are renting, and that puts pressure on the whole rental market' (civil servant in Luxembourg).

Foreign workers who were interviewed strongly identified with the challenge of accessing housing, leading almost all of them to live across the border and commute to work, except in cases of those likely to be on high incomes such as the family office manager in Monaco or the auctioneer in Geneva. For example, an art dealer in Monaco stated that, while she liked the city very much and perceived it to be clean, safe and cosmopolitan, she saw zero possibility to live there owing to the high housing prices and thus made a daily commute from Italy. This participant said that she and her colleagues would love to have Monegasque citizenship and live in the city, but the barriers to achieving it were too great, expressing an opinion that citizenship is what everyone who works in Monaco wants, but feels is basically impossible to get.

A palace official reiterated that Monegasque citizens are provided with housing in the city by the government. However, many civil servants, teachers, judges, police officers, doctors and so on who work for the state do not have citizenship. This participant spoke about how foreign public sector workers can access subsidised housing owned by the government of Monaco in surrounding French municipalities, recognising that property prices along the French Riviera are so high that key workers in Monaco's public services may be unable to afford to live within a reasonable distance of commuting to the city. As such, authorities in Monaco appear to understand that the cost of housing in the city is inaccessible to those on all but the highest incomes and therefore directly intervene to provide mechanisms to access accommodation in or near the city for citizens and state employees. However, no such state intervention is extended to workers in the private sector. Moreover, public sector employees housed outside of the state do not fulfil residency requirements for applying for citizenship.

In Luxembourg, participants described how the state appeared to be less willing to intervene directly in housing than in the two other case studies. Foreign workers on lower incomes are particularly affected; as a Luxembourgish civil servant commented, 'all the minor jobs in services, such as hospitality, catering or retail, are mostly done by

commuters from across the border.' Participants in the city frequently commented on how those in lower-paying work need to live across the border and commute into the country. However, several interviewees recounted that the high housing costs in Luxembourg are beginning to have the effect of displacing Luxembourgish citizens who cannot afford the price of housing. As a result, Luxembourgers are being displaced across the border due to the housing crisis. As one interviewee commented, relocating across the border brings a series of challenges for the neighbouring country and for the Luxembourgish arrivals themselves:

'There is nowhere cheap to move inside [Luxembourg]. So in the end you move to Belgium, which is still quite inexpensive. Prices have risen enormously on the German side, and this is creating tensions, because the people in that area, Germans who work in Germany, cannot afford to buy or rent in their own area... I heard that they complain that rich Luxembourgers are buying all their houses... It doesn't create a good community if that's the starting point' (civil servant in Luxembourg).

Despite reporting a crisis in the access to housing, interviewees in all three cities noted the phenomenon of empty homes, reminiscent of Atkinson's (2018) research on 'necroarchitecture'. This concept describes underused or empty residential space in super-prime locations, originally with a focus on London, highlighting the transformation of housing into an asset for capital investment rather than primarily a place of shelter. Certainly, walking in all three cities at night revealed districts that have a guarded but essentially abandoned air, especially in Monaco where strikingly few windows in the tower blocks across the city had lights on after dark. The same can be observed in Luxembourg. An architect spoke about Kirchberg, the main site of urban development in Luxembourg City, saying that 'a lot of foreigners invest in property here [and] most of the houses are empty. That part of the city is dead at night. There's nobody there.' Perhaps surprisingly, it was a real estate developer who articulated the most progressive criticism of the country's housing crisis, also highlighting that the

displacement of both foreign workers and those on lower incomes from the territory of Luxembourg does not appear to concern those benefiting from the high property and land values in the state:

'There are new rules that in all developments, a specific percentage needs to be affordable housing. But it doesn't really solve the larger issue, because marginalised communities get passed over and are being pushed outside of the city, even outside of the country. They go to Germany, France and Belgium. Politicians don't really care, as long as it isn't Luxembourgish people who are pushed out. It's not a solution to expel population into the surrounding countries. It's just a consequence of the situation that Luxembourg itself can't meet the demand' (real estate developer in Luxembourg).

Two major reflections arise on this point. The first is to note that the participants' narratives consistently emphasise how important the nearby border is for their city, enabling inflows of capital and labour but also outflows of those on lower incomes who cannot afford housing within the city, especially in Luxembourg. The second is how much more potent the issue of access to housing felt in the interviews conducted in Luxembourg, where criticisms of the state's housing policy were far more comprehensively articulated by participants. While Monaco and Geneva also record among the highest real estate prices in the world, there seemed to be a greater sense among participants that – for citizens at least – the state was actively intervening in housing markets, whether through social housing, rent controls, subsidised housing for state employees and citizens, or a comprehensive framework for tenants' rights. By contrast, participants in Luxembourg appeared to perceive the state as being too removed from housing policy, which was seen as leading to citizens beginning to join foreign workers across the border and having to commute long distances, with the environmental but also personal consequences this entails.

Another negative externality relates to the effects upon national identity in cities where citizens comprise a minority, including regarding effects on use of the local

language. In Monaco, the interviewees of foreign backgrounds made it clear that they wanted Monegasque citizenship primarily for the benefits it was perceived as delivering, rather than articulating a sense of belonging to local society. Participants in Monaco who were citizens were supportive of restrictive citizenship processes, which they appeared to view as defending both the welfare system and their cultural identity. As a participant in Monaco described, there are several privileges associated with citizenship, and foreign workers perceive this discrepancy in their status:

'Being Monegasque has lot of advantages. They have big wealth and when they retire, they have big pensions. They get flats for free. They have social advantages. That's why they protect the locals. And only Monegasques can work in the public sector as well. So this is also privilege' (family office manager in Monaco).

The ongoing challenge for the local community in a small state context to defend its identity when foreign workers outnumber citizens was raised by an academic researching Monaco, who contrasted traditional Monegasque identity with the city's cosmopolitan, internationalist modern reality, stating that 'it's hard for a micronation, for any micronation, to defend one's national identity when there is so much cosmopolitanism and internationalism coming in.' On this issue, it was striking that none of the foreign workers interviewed in Monaco said they had learned the Monegasque language, which is taught in the city's schools and appeared to be a point of pride among the Monegasque participants. The academic researching Monaco suggested there is 'very little effort towards explaining what it [means] to be Monegasque, no idea of foreigners assimilating or taking on some sort of Monegasque identity.' This may also suggest that foreign workers do not see themselves remaining in the long-term, but also that Monegasque society is not open to integrating these foreign workers as a means of defending local identity.

The linguistic dimension of national identity appeared to have several tensions in Luxembourg. An academic researching Luxembourg talked about how the transient

population of foreign workers has had a negative impact on Luxembourgish language use, leading to the language becoming endangered. Interestingly, several Luxembourgish citizens mentioned having few opportunities to use their native language in day-to-day life, with one saying that she had never even learned to write the language properly. Similarly, a participant who worked at Luxembourg Freeport stated that 'unless you live or work with someone who speaks Luxembourgish, it's really difficult to find someone who speaks the language.' While the participants in interviews did not appear too concerned with defence of the language, they suggested that this is a cause for concern in wider society; the real estate developer commented that 'more traditional Luxembourgish people are upset... they cannot use their own language if they go to a bakery, supermarket, wherever. And that's true.'

Attitudes towards threats to local identity appeared more nuanced in Geneva, which is one of the cantons of Switzerland rather than an independent state. Many comments were made by interviewees about the strength of local Genevan identity, with reference to Geneva's long history as an independent city-state and its official title of the Republic and Canton of Geneva. The former politician, for instance, highlighted how the city's identity draws from its history and the relations that French-speaking Switzerland has with the German-speaking majority:

'The people who live here like to say that Geneva used to be an independent country until the defeat of Napoleon. Geneva calls itself the Republic and Canton of Geneva. And Geneva always votes against what the rest of Switzerland votes. In the German part of Switzerland, there is a funny saying that the mistakes of Geneva are compensated by the votes of German Switzerland' (former politician in Geneva).

The literature suggests that English is growing in prominence as a language at work in Geneva, disincentivising the learning of other federal languages of Switzerland and thus potentially weakening Switzerland's plurilingual identity (Waltermann and Csillagh, 2016). Among the participants in this research, English was not seen as a

threat to identity. Nevertheless, while perceived threats to the local language were not raised, interviewees did speak about concerns around the impacts upon local identity of citizens becoming a minority in the city, and the historic city centre no longer being lived in by locals. For instance, one interviewee spoke about Geneva as the birthplace of Rousseau and then commented on how the Genevan bourgeoisie has been forced out by wealthy second-home owners who are not present throughout the year, erasing the traditional character of the old town:

'Within the historic walls of Geneva is where you would have found the old bourgeoisie. Today the city centre is home to Russian oligarchs, American bankers, Arabian super-rich. Especially over the past five years, housing prices have gone out of control' (investigative journalist in Geneva).

Further externalities uncovered relate to the presence of informal networks of elites, particularly business and political elites. While framed as positive, or at least ordinary, by many of the interviewees, others were more critical, and as established in the literature review there are multiple risks regarding transparency and a lack of scrutiny associated with informal elite networks. A commonly expressed notion in all three was that 'everyone knows everyone'. This suggests an important role for interpersonal trust and many participants in the cities also spoke about relatively open access to politicians. Participants in Monaco talked about the possibility of having direct connections with the Prince, which was reminiscent of the risks of informal networks raised in studies of state capture in Jersey (Hampton and Christensen, 1998; 2002). For example, a diamond dealer spoke about the benefits that informal personal relationships have for doing business and navigating bureaucracy. This participant did not see negative consequences of this system, demonstrating an internalised association of the interests of their business with that of the state and its population:

'If you are a brand or a company trying to build a brand, the Prince himself helps people, he organises big events, and if you are a person who is doing something for Monaco, they help you. We are not just a number. So if you

are an entrepreneur in Monaco, you can have direct relations with people everywhere, from customs to the bureaucracy, people help you. You are not just a source of money, as happens in a lot of big countries' (diamond dealer in Monaco).

The key insight among participants seemed to be that such connections depend upon trust, or at least the perception of trust. This was highlighted in how a Luxembourgish politician criticised Yves Bouvier, whose company operates the freeport facility, saying that 'I think the freeport is a scam... organised by someone who himself has a dodgy reputation.' Media scandals had impacted this participant's attitude towards not only the operator of Luxembourg Freeport, but also the facility and its regulation. With trust in the facility broken, the perception of discretion and secrecy was also shattered, with critical media attention and investigations launched by EU agencies. Within the framework of luxury state capture, such critical attention is the opposite of the discretion and privacy that is expected among the wealth elites consuming this service.

Smaller networks of actors and the greater likelihood of informal social connections within these networks create their own set of risks relating to lobbying and a lack of transparency. For instance, interviewees in Geneva spoke about the importance of business lobbies, and cases where lawyers elected as MPs retain connections with their former colleagues who have a vested interest in opposing certain kinds of reform, such as against regulation of lawyer-client relationships. This fits with the possibility of elite lobbying noted by other researchers (Lauermaun and Mallak, 2023). In Genevan politics, participants spoke about a coalescing of the positions of business groups and political parties, even those on the left; as a former Swiss NGO researcher commented, 'it's almost impossible for a Geneva parliamentarian to be really critical', sharing an off-the-record anecdote that illuminated how politicians from progressive parties are pressured into supporting the interests of the offshore finance industry. An academic in Geneva stated the belief that, owing to the density of unscrutinised social connections between regulators and the

finance and legal industries, 'Switzerland is one of the most corrupt countries in the world.' Overall, informality and personal connections appear to be widespread in these case studies. To give another example, an architect in Luxembourg shared a story of an apartment block that was built despite going against planning regulations, owing to a personal connection between a developer and someone working in the municipality. This evokes Donaghy's (2002) research on decision-making within socially-linked informal networks of actors sharing an idea of 'common sense', demonstrating that laws become rather flexible in such cases:

'There was a developer who wanted to build. The municipality called us to ask for advice on the project, and we had a meeting to explain that it is not possible to construct the block because of the shape of the plot of land. What struck me is that nobody had even read the documentation. The developer had just asked someone in the municipality what he could build there, and they told him he could build a block, but no one had bothered to read the regulations. So the developer took money from the bank to buy the site and was telling us that he had to build it otherwise he would be in debt. And what happened next, the city found a compromise to favour him.... The solution is not legal because it does not respect the planning law. So if another resident in the city wants to challenge the development in court, both the municipality and the developer will be wrong. And it really struck me. It was weird to think that in a country that is supposed to be developed, people were not used to checking the planning regulations and instead the entire case played out through informal connections. People relied on what their contact in the municipality said. It seems like official documents do not have any value at all' (architect in Luxembourg).

A further negative externality raised in the interviews relates to the operation of the luxury freeports in these cities. Alongside the Luxembourgish politician labelling the freeport 'a scam', an investigative journalist from Geneva described a series of scandals

relating to the freeport in that city. These included both dramatic and 'everyday' examples, which collectively highlight the lack of checks and importance of trust relationships between those working in the facility and customs officials based there:

'We heard stories about people working with diamonds in the freeport who stepped out to have a cigarette and forgot they had a diamond in their pocket. And just by stepping outside, they were crossing the frontier. This diamond came from outside of Switzerland into the territory without any declaration. So the question is, what do you do? He was hesitating and saying, well, I could just stay outside with my diamond' (investigative journalist in Geneva).

In another example, Peruvian gold was discussed: 'dirty gold' trafficked by armed groups, illegally smuggled into the freeport to be re-exported or hidden and concealed through legal structures hiding the identities of the owner and end buyer of the gold. Such criminality risks were highlighted in earlier investigations (Financial Action Task Force, 2010) but according to this participant appear to persist. This also suggests that regulators or authorities do not consistently monitor and scrutinise the movement of high-value objects passing through the luxury freeport:

'In some countries, the exploitation of gold is linked to armed groups. Say in Congo, in Peru. There were investigations in Peru. About 95% of the mining operations are informal, or let's say illegal... A huge part of this gold is exploited without paying taxes, without even being properly declared for export. A lot of this gold arrives in Switzerland via the freeports. Taking the gold to the freeport is just a first step. It helps to raise the traceability of the gold. When the Peruvian gold lands in the freeport, it can be re-exported or hidden... The first step should have been to check it when it left Peru, but there is a lot of smuggling. And you never know who's the buyer. That's one point. So even in the case of, let's say, a federal inquiry on dirty gold, who's the end buyer of this gold? If it's in freeport then we don't know, because

the buyer is not yet on the papers. It's a way of building one more stage of secrecy' (investigative journalist in Geneva).

Further compounding the sense criminality risks as an externality of the freeport, another case was described by this interviewee in which an individual was caught smuggling jewellery out of the facility and across the border into Italy. With Geneva being a global centre of the watchmaking industry, it is perhaps unsurprising that watches were also implicated:

'I've heard people saying they have contacts inside the freeport, and if you want to buy a Cartier watch without taxes, you can get it without a problem. The watch is not supposed to leave the freeport system, but they smuggle it' (investigative journalist in Geneva).

A final negative externality of the economic activities in these cities raised by participants is environmental impacts. The highest land values in the world stimulate urban development to maximise the exploitation of land as an asset. For instance, the experience of visiting Monaco is to experience density in every direction, with construction happening upwards and downwards simultaneously, as well as new neighbourhoods being dredged from the sea and excavation projects to hollow out the mountain surrounding the city to host new facilities, such as storage spaces for Monaco Freeport. The wider region surrounding Monaco along the French Riviera is both highly urbanised and mountainous, meaning that in the case of heavy rain, 'we find ourselves with dangerous flood phenomena and a risk of danger to both nature and humans', according to a French civil servant working on economic development across the region. While participants in Monaco were uncritical of the density of the city-state, participants in Geneva more critical. The City of Geneva is almost fully built up, and the urban agglomeration has swallowed up much of the canton. As an urban planner in the city put it, 'Geneva is the densest city in Switzerland, twice as dense as Bern. People no longer want us to densify... the population fights against it.' Indeed the former politician in Geneva spoke about the canton being essentially fully

urbanised, which was framed as having negative effects on the environment but also Swiss identity, which was described as being closely tied with the Alpine landscape. Resistance to rapid urban expansion was also noted in Luxembourg:

'First of all, the public sometimes doesn't understand what densification means, because when you say it, they think about high rises. But you can also densify in other ways, filling the gaps. Of course, it's probably a minority, but a vocal minority, who do not want any more people moving into the country, no more high buildings, just to preserve traditional villages in what is called the "Speckgürtel", the Bacon Belt, the villages around Luxembourg City. But now a lot of farmers have left those places, or they didn't find successors, so it might feel rural, but these places are not real villages anymore. It's wealthy people who can afford houses; a lot of old farmhouses have been renovated and they are the most expensive houses in Luxembourg' (civil servant in Luxembourg).

Environmental impacts were described as particularly pronounced with regards to traffic congestion and infrastructure. Urban planners in Geneva detailed how the city invests substantially in public transport and collaborative projects with neighbouring French municipalities to relieve pressure on roads, which nevertheless remain busy, with an urban planner complaining about the constant presence of cars and car parks throughout the city to accommodate inflows of workers from across the border. Luxembourg has made all public transport within the state free to encourage mode switching away from private cars, although the real estate developer criticised this as having been done for positive media coverage and claimed that there has not been sufficient investment to ensure the regularity and reliability of services. While authorities in both Monaco and Luxembourg collaborate on projects with municipalities across the border within the context of cooperation bodies covering the transnational region, participants in the two cities talked about major unresolved transport issues. A French civil servant spoke about 'constant traffic jams in the French

Riviera impacted by the geography, because people can only live on the narrow coastal strip between the mountains and the sea.' Likewise, an academic in the country spoke about Luxembourg as a 'logistical catastrophe, the roads are gridlocked, especially on the international borders.' This comment highlights the perception raised in similar forms in all three cities, whereby public transport was perceived as insufficient to handle the large flows of cross-border workers, leading to gridlocked roads that negatively impact quality of life:

'The problem is that our trains are insufficient, and the buses are more than terrible, because they just get stuck in the traffic. So there are not reliable alternatives to the car, which basically means that we have congestion all the way to the borders every morning and evening' (real estate developer in Luxembourg)

While the high growth rates and GDP figures of these cities did seem to represent symbols of success in the narratives of interviewees, responses to other questions highlight how this growth comes with a series of negative side effects relating to access to housing, challenges to national identity and the use of local languages, consequences upon governance flowing from informal networks of elites and lobbying, issues related to smuggling and other criminal activities, and the environmental consequences and pollution arising from both transport gridlock and the need to continually develop space for commercial exploitation. For the interviewees, there were thus negative externalities associated with the impact that inward flows of capital and labour to maintain economic growth have upon these cities.

The findings demonstrate how these cities rely upon their selectively permeable borders, allowing flows of capital and assets into the city, while those on lower incomes – typically foreign workers – may temporarily cross the border for work but are effectively prevented from taking up residency. This finding resonates with Sohn and Scott's (2019, p.29) study of the Greater Geneva area, which described the border as a

'ghost' that 'is invisible but remains present in the borderscape that structures the territory and shapes the identities of those who inhabit it'. The authors found that the border plays a symbolic role in national identity and has a much more powerful impact on those on lower incomes versus those who are affluent: '[t]he social divide between those who benefit from the opportunities offered by Greater Geneva (particularly in the labour market) and those who are penalised seems to be reflected in the strength of sense of belonging to the cross-border agglomeration' (Sohn and Scott, 2019, p.28). Their research demonstrated that, the wealthier an individual living or working in Greater Geneva is, the less likely they are to perceive the border as a barrier, as it is not an important factor in structuring their lives, unlike those on lower incomes for whom the border demarcates a place of work from a place of residence. In the case studies, those on lower incomes, who are largely foreign workers, are held beyond the border as a source of labour to be accessed when required, but with little obligation of the city to integrate this group or provide for them in terms of welfare policies. This use of the border also precipitates development challenges in the neighbouring country, which needs to develop housing, infrastructure and social systems to manage this large influx of population upon whom the economy of the neighbouring city depends. This first thematic area of the findings therefore demonstrates the effects of a selectively permeable border that relies on its surroundings for inflows of capital and labour to maintain the city, and in doing so highlights how the local ecosystem of these three cities both influence and are influenced by their international connections.

5.3 Integration and inequality

The findings in this section relate to issues around the integration of foreign workers and perceptions of social and economic inequalities. In particular, these findings relate to processes for acquiring citizenship and the political rights and benefits that citizenship entails. Workers of a foreign background comprise majorities of the labour force in the three case studies, with internal stratifications of the population of foreign

workers into low- and high-income sectors. For instance in Monaco, a family office manager, responsible for managing the wealth and assets of a very wealthy family, spoke about how she believed that French and Italian foreign workers typically work in highly paid roles in the finance sector, but Portuguese nationals and others working as cleaners, cooks and in tourism commute from further away across the border. This second group may face more issues relating to workers' rights, with the French civil servant stating that foreign workers in Monaco need to apply for the right to work and typically have more insecure contracts in return for higher salaries than would be possible in France. Citizens are a small minority of those active in Monaco's labour force and participants regularly spoke about the cosmopolitan nature of the city-state, in which being foreign is seen as the norm and there is little interaction with the Monegasque population, as this participant explained:

'It's a very international place. There are people from different countries, it's very cosmopolitan. You know, if you go to Switzerland, there are a lot of foreigners, but still you feel like a foreigner, you don't feel at home there. Whereas in Monaco, being a foreigner, you feel at home. Everyone is very friendly. As I told you, it's such an international place. Those who are in Monaco have very interesting backgrounds. Very wealthy people, and how they make that money, these are brilliant, genius guys, who make such fortunes. And those working in family offices, they have nice backgrounds, just to work for such families – it's not easy to find such jobs. And those who manage the fortunes, the private bankers, these guys are interesting people to talk to. I like the people in Monaco. I'm not talking about wealthy guys and all these glamorous things, but about the education. These people are brilliant. Also the weather is very nice, the climate is super, you know, it's very mild, like in Greece, a lot of sunny days. That's the three things that I would say about one Monaco: security, very international and cosmopolitan, and the weather. For me this is Monaco' (family office manager in Monaco).

The above quote should be seen in the context of the other comments made by this participant, describing how some groups of migrants to Monaco work in offices and banks and are 'brilliant', highly educated and successful, whereas others working as cleaners and support staff who commute to the city were mentioned in passing and not included in the community described here. This participant saw foreign workers in high-earning careers in finance and wealth management as contributing to a dynamic and successful version of Monaco, whereas those in support and services were not included in this point on how foreign workers contribute to the life of the city, perhaps due to their transience, being present in the city only during their hours of work.

Participants in Luxembourg also spoke about foreign workers, with a similar stratification between those in lower-paying service positions versus those in the finance and legal industries, as well as the European institutions. The narratives adopted by participants appeared to suggest that there is little effort towards integrating foreign workers in the local community in this case too. A participant who worked at Luxembourg Freeport spoke about Portuguese migrants, the country's largest minority group and nearly one-quarter of the population, highlighting a perception that many of this group work in low-paying positions and that 'they don't speak Luxembourgish, and they often can't speak French, German or English.' The perception that this group of foreign workers participate less in Luxembourgish society, for example by not speaking the languages used in the country, again gives the sense that there is a stratification of migrants, with those who are more highly educated or have higher earnings being seen more favourably than those in lower-income service positions. Another participant noted that service workers are needed, but the country has no housing capacity and cannot attract new manual labourers:

'We really struggle to find people to work in construction. We cannot attract them. Where would they live? They couldn't live here because there is no housing for them. So even if you would try to hire 5,000 construction

workers to do a huge building programme, we have nowhere to put them'
(real estate developer in Luxembourg).

In Geneva it was recognised that 'without cross-border workers, our economy would not work', in the words of an urban planner. On the issue of construction workers, an academic in Geneva spoke about how these are mostly short-term guest workers who do not have the right to vote, but do not intend to stay long-term in any case, instead aiming to work for a period to save money and return to their country of origin. This participant spoke critically about how Swiss society treats migrants who intend to stay in the country for longer periods, again highlighting a stratification between higher-income and lower-income migrants, and perceived a lack of effort or enthusiasm for integrating new arrivals:

'Swiss society practices a form of apartheid. There are foreigners with no basic rights, such as the right to vote, who do all the hard and low-paying work. In Geneva, 50% of the population is of foreign origin. In this foreign population, there are two components: servants of the rich, and those who participate in the system of trading and finance. Rents are high because there is immigration. The Swiss complain and say that immigration should be reduced. There is xenophobia and foreigners are discriminated against. They sense the racism of the Swiss, so there is no solidarity [with migrants] among the opposition parties' (academic in Geneva).

There is thus an uneasy position of foreign workers in the case studies, upon whom the local economies depend, but whose participation in politics is curtailed – particularly those on lower incomes who are most likely to commute from across the border, highlighting a spatial dimension to wealth inequality among migrant workers in these settings. As discussed above, there appears to be a greater leniency and acceptance towards those in more highly-paid work, such as in finance, compared to those in lower-paying service roles such as cleaning and construction. In Luxembourg and Monaco, the topic of foreign workers frequently led to discussions about national

identity and the possibility of integration. In Geneva, this theme was also present, although it appeared to be less emotionally charged for participants, perhaps due to the larger population of the city, or the long history of international organisations creating alternative notions of (global) community. For instance, an auctioneer spoke about how 'hard to infiltrate' Genevan society is, but did not find this to be an issue, stating that the diverse population of those working in international businesses and the United Nations is a distinct community with its own sense of belonging. When discussing migration, interviewees in the three cities viewed the wealth of these places as crucial for maintaining acceptance among local citizens for high rates of immigration. For instance, in Luxembourg, there was a sense from several interviewees that tensions between citizens and foreign workers are managed through high economic growth. Both a politician from a conservative Luxembourgish political party and an academic in the country made the same point almost verbatim: 'when there is high economic growth, migration isn't seen as a threat.' Following this logic, maintaining growth was perceived as vital to upholding social order.

In Monaco, the notion of integration was dismissed entirely, and instead there appeared to be a defensive nationalism identifying with citizenship from heritage, the Prince and the built environment of the old town. This was surprising; given that citizens comprise fewer than one-fifth of the population, it might be expected that Monegasques associate the city-state's identity with its diversity and cosmopolitanism, as can be observed in other highly diverse cities such as London and New York. Instead, participants strongly emphasised that Monegasque identity has historical roots and is derived from one's ancestry. This separation appears to have been the case for a long time; an academic studying Monaco said that, even during the Victorian heyday of gambling tourism, 'the tourists and the Monegasques barely interacted, and they lived in two different areas: Monegasques on the Rock and tourists on Monte Carlo.' This academic recounted that there is 'no idea of foreigners assimilating or taking on some kind of Monegasque identity', and indeed that 'there is very little effort towards explaining exactly what it means to be Monegasque.' The

palace official stressed the historical roots and heritage of Monegasque identity and spoke about how the population is broken into three broadly equal parts: ethnic Monegasques; Italians and French, who represent the two countries with important historical and cultural ties to the state; and '140-150 other nationalities, but only a few units which have little influence on our identity.' One participant suggested that, against a backdrop of continuous urban renewal and the arrival of a foreign population that vastly outnumbers locals, conservative ideas about national identity are connected to the fragments of the older Monaco that survive. For example, the Rock of Monaco was seen as imbued symbolic meaning for Monegasque identity:

'We are a tiny mountain people and we retreat towards the Old City, defending it against the foreign invaders, quite clearly the tourists and all of Europe coming to Monaco... [although] this strain of Monegasque nationalism is not as present anymore, because it is no longer a Provençal mountain paradise, but a modern, dynamic city-state' (academic researching Monaco).

Further insight into the social dynamics of the three cities can be observed in how participants talked about the process of acquiring citizenship and extending equal rights to those of foreign backgrounds. Once again, this idea was most controversial in Monaco. One Monegasque participant appeared to reject the suggestion that foreign workers could ever be seen as Monegasque, or that integration is possible:

'We are Monegasques by blood and not by place of birth. I am Monegasque because my parents and grandparents are Monegasques. We've been Monegasques for generations and my children are Monegasques' (urban planner in Monaco).

The palace official likewise said that citizenship 'is not a right', agreeing with the legal framework in the state that grants citizenship only to those approved by the monarch or who have been married to a citizen and living in Monaco for at least two decades.

Foreign workers in Monaco expressed what seemed to be a resigned acceptance towards this situation. The art dealer asked the rhetorical question of 'who wouldn't want to be Monegasque?' but said that, as she cannot afford to live in the city, she will never be able to meet the residency requirements to apply for citizenship. The freeport employee in Monaco appeared to be more sanguine on this topic, making light of the fact he cannot fulfil the residency requirements to apply for citizenship despite decades working in the city and being 'a great patron of the Monegasque tax authorities.' One of the basic requirements to apply for citizenship is residency in the city, which is the world's most expensive real estate market. This essentially prevents most foreign workers from meeting the criteria to apply, and as such the views of this group is not represented in elections or local politics. Likewise, access to the generous welfare state is also closed off to non-citizens, except in cases where those working in Monaco have paid into the national pension fund.

This inequality of representation and access to welfare provision was criticised in Luxembourg by several participants, given that foreigners are a substantial majority in Luxembourg City and will imminently comprise a majority of the population of the country, yet the right to vote in national elections continues to be reserved to those with citizenship. This is of course the case in other democracies; however, there are few democracies in which voters comprise a minority of the population, as will soon be the case in Luxembourg. The real estate developer spoke about the 'snobbish attitude' of requiring foreigners to learn Luxembourgish to apply for citizenship, a language which this participant admitted rarely ever speaking, stating 'I just don't understand why foreigners cannot be allowed to keep speaking French or English.' The Luxembourgish participants in this research were more critical of the situation regarding foreign workers than in Monaco, with the freeport employee for instance saying that 'integration needs effort from both sides.' Moreover, interviewees felt that the issues that disproportionately affect foreign workers are almost entirely absent from Luxembourg's politics, given that this group does not meet residency

requirements to apply for citizenship and vote. Therefore, politicians were seen as disinterested in issues affecting foreign workers as there are not votes to be won:

'That's probably the reason why the politicians never really take care of the problem. People looking for housing aren't the traditional voter' (civil servant in Luxembourg).

Meanwhile, in Geneva, participants were more ambivalent in conversations about citizenship; the process of applying for Swiss citizenship is notoriously difficult, with even the children or grandchildren of foreign workers not automatically acquiring Swiss nationality. The Swiss academic criticised this 'brutal discrimination on political rights', with migrants denied the right to vote and funnelled into 'particular housing and certain workplaces so as not to mix with our population.'



Image 1: Luxury cars parked in front of *Hôtel Hermitage Monte-Carlo* in Monaco.

Throughout the interviews, it was notable that, while participants did talk about different perceptions around higher-income versus lower-income foreign workers, it was ultimately the distinction in status between citizens and non-citizens that was consistently identified as the primary axis of inequality in these cities. Indeed, wealth inequality did not feature prominently in the narratives of interviewees, which was surprising given that these are three of the wealthiest cities in the world, with large populations of wealth elites. Participants instead described a distinction between local citizens, who benefit from state intervention and support mechanisms, and foreign workers, divided between those in well-paying roles and a larger group in low-paying work, who may not access local welfare systems if they do not meet residency criteria. However, even while participants downplayed the issue of wealth inequality, the experience of walking in these three cities was one of constantly encountering ubiquitous reminders of the presence of wealth elites. Image 1 shows supercars parked in front of a luxury hotel at Monte Carlo, with well-dressed doormen standing at the entrance of the building. Such spaces create a sense that the ostensibly public realm of the street in front of the building is only for wealth elites, with the feeling of being watched and being scrutinised while walking past – and a feeling of uncertainty if one may even walk past in front of the opulent hotel. The experience of walking around Monaco often gave the sensation of contradicting the Monegasque urban planner's claim that the city-state is a normal country that 'isn't all bling-bling.' Without a car, Monaco presents itself as a series of staircases, elevators and narrow pavements that continuously switch sides, forcing the pedestrian to carefully navigate while luxury cars drive past. The relatively small numbers of other pedestrians encountered while working across the full length of Monaco suggests that car usage is the norm in this city and that walking from one destination to another is unusual.

Multiple participants in Geneva considered there to be no wealth inequalities in the city worth reporting; an urban planner said that 'on a global scale, there are none, but you find some on a Swiss scale'. Another planner appeared to reject any potential

criticism of inequality in Switzerland by instead pointing out the greater inequality in other countries. Again, this further added to the sense that even participants who were not themselves wealth elites had bought into the narrative that economic success of these cities and their high levels of wealth is an inherent advantage, or at least not worth criticising, reminiscent of Holmqvist's (2017) study of the aura of elite urban spaces which even those who are not themselves elite play a role in perpetuating:

'It's not Sheffield. We're not going to compare inequality in the north of England with Switzerland. We are in another world even if you would compare us with France' (urban planner in Geneva).

This interviewee's suggestion that inequality in Switzerland is scarcely worth mentioning because there are more severe examples in other countries contrasts with the narratives of two participants who spoke about the existence of inequalities in Geneva. The first criticism of inequality came from the academic in Geneva, who described a situation of 'apartheid' regarding the status of foreign workers. Another participant was openly critical about a perceived lack of interest in inequality among political representatives, even those in left-wing parties, although this participant had also doubted the existence of inequality in Geneva earlier in the interview when asked directly:

'I've been very disappointed by the way that Geneva dealt with the pandemic... There were six months where poor families were in very difficult conditions. Every day there were queues to wait for food in Geneva, a rich city in one of the richest countries in the world. People needed help and the state was missing. One of the main questions I had was, how is it possible that Geneva was not able to help? The answer [from fellow representatives] was that money is only there to help people in real need. Poor families were not considered as being in need. Those kinds of answers turned me off politics' (former politician in Geneva).

The four Monegasque citizens who were interviewed saw the Prince as the key figure who creates wealth and advances the interests of citizens, as described by the diamond dealer earlier in this chapter. The academic researching Monaco likewise said that there is a common idea of 'the Prince as the patriarch who is still revered, even today. Everyone is kind of a royalist.' Monegasque citizens did not conceive of poverty in Monaco, and officially a zero percent poverty rate is recorded. There is a generous provision of social housing, nurseries, education facilities and healthcare; the palace official claimed that barriers to citizenship are intended to protect these 'privileges', and the academic researching the city commented that reducing as much as possible the population of eligible citizens is generally desired by the authorities in Monaco as a means of guarding the welfare system. As already shown in narratives from a family office manager, a freeport employee and an art dealer, the foreign workers involved in this research were aware of the preferential treatment of Monegasque citizens and the unlikelihood of them as outsiders ever accessing these benefits.

When thinking about the rich residing in Monaco, participants saw these as a detached part of the city, and many had little to say about wealth elites, struggling to answer questions on this topic. The diamond dealer in Monaco described their seasonal lifestyles of moving between Geneva, London, Shanghai, Dubai, Monaco and so on, seeing them as a transient part of the city: 'they go around and around and the differences [between places] are not so important.' An interesting perspective on living and working with wealth elites came from a family office manager, responsible for managing the money, houses, art collection, yacht and personal schedule of one of Monaco's wealthiest families. Herself a foreign worker, she described Monaco as 'a golden cage' and seemed disenchanted with the city. This was her description of spending time with the super-rich and the sense of unreality it brings:

'It's all very artificial. You see all these expensive cars. When they go to restaurants, they leave tips of €100 or more. If you would do that in Greece, France or Italy, it would be ridiculous. It's just a Disneyland. When you see all these strange things, you realise this isn't a normal life. That's why I call it

fake. But I live here, and you know, I just close my eyes. I try not to notice, try to not pay attention to all of it' (family office manager in Monaco).

In common with the two other cities, participants in Luxembourg primarily spoke about inequality through the lens of citizenship, although some noted that issues hitherto largely only affecting foreign workers had begun to impact citizens too. Several raised a 2015 referendum to extend the right to vote to non-citizens living in the country, which was defeated by a supermajority of 78% opposed. As the academic in Luxembourg suggested, the referendum 'was not prepared in a very coherent way, so some people had the suspicion that it was set up to fail.' The real estate developer stated that 'the biggest conflict I see is between Luxembourgers who would like international people to vote and those who are opposed and want to hold onto the way things were before.' This referendum is itself an unusual proposition that is hard to imagine in other states; however, given that foreign workers comprise a substantial majority of the population of Luxembourg City and will soon be a majority of the whole state, participants such as the real estate developer felt a situation of 'minority rule' is emerging which needs to be addressed with radical proposals.

There are a series of benefits available for Luxembourgish citizens that are not extended to the non-citizens living and working in the country, as the academic in Luxembourg recounted, with Luxembourgers having seen the value of their property assets massively increase in recent decades, along with 'extremely well-paid public administration jobs' reserved for native Luxembourgers, such as through linguistic criteria, alongside 'a very generous spending policy and huge public sector salaries and allowing people to retire by 57.' Later in our conversation, the academic suggested that public sector employment in the country is characterised by 'tribal hiring', whereas foreign workers are funnelled into the financial marketplace or service positions. The Luxembourgish civil servant likewise highlighted that even citizens with few qualifications can secure very well-paid jobs, such as working as gardeners or street cleaners in the city, 'and these public jobs are really well paid because our economy is

so good, so the government can subsidise these positions.' These narratives were evocative of themes found studies of the labour markets of Gulf states such as the UAE, Saudi Arabia and Qatar, which find that these states funnel their high revenues (in these cases from oil, rather than offshore finance) into 'local government jobs with questionable productivity' but good conditions and high salaries, reserved for local citizens (Hertog, 2014, p.4). In the Gulf context, researchers suggest that state intervention in the economy and revenue derived from ownership of national oil firms form a social contract that maintains the consent of citizens and is dependent upon foreign workers (Forstenlechner and Rutledge. 2010; Hertog, 2014). Such a beneficial treatment of citizens in the country's labour market may also be a factor in these cases, which would accord with the narratives of participants introduced above.

Participants in Luxembourg appeared to be more aware of wealth inequality than in the other cases. With regards to access to affordable housing, the civil servant believed that politicians have no real incentive to tackle the problem as it is mostly foreign workers who cannot vote that are impacted, with many Luxembourgers already owning their own homes, inheriting from relatives or building on land owned within the family. The real estate developer once again spoke most candidly about inequality, highlighting that now even middle-class Luxembourgers are now struggling to buy properties, particularly those belonging to younger age groups, which is creating social polarisation which he believed had not existed before, leading to concerns about politics in the future. It now appears that Luxembourgers themselves are being priced out by the twin pillars of the national economy, offshore finance and international institutions. One participant shared her perspective on this, questioning the sustainability of an economy in which even those in professional roles are unable to afford to live in the state without a connection to one of these two sectors:

'We have to find a model of development that helps local people. I mean, my husband works in the European Court of Justice. I compare my salary with his and his is so much higher, working for an international institution. I

can barely make ends meet here on the salary of a Luxembourger' (architect in Luxembourg).

It was striking in these three cities how many interviewees adopted the stance that generous local welfare systems needed to be defended, with even those who were critical of the unequal treatment of foreign workers suggesting that this desire to defend the welfare system was a mainstream view in local society. This finding resonates with the theoretical framework of luxury state capture, whereby the local population supports the economic strategies of the state owing to an association between economic growth and a perception that this provides revenue with which to defend the generosity of the welfare systems. There was a limited perception of wealth inequality in these cities, but what was most striking was that virtually all participants did not view wealth elites as an important part of local societies. The case of the family office manager showed how the lifestyles of wealth elites were seen as strange, abnormal and somehow a detached, Disneyland version of reality, or in the case of the diamond dealer who saw wealth elites as transient populations who are present only for a limited season. Rather than a critical stance towards large populations of wealth elites residing within these cities, interview participants instead viewed migration status as the primary axis of inequality in these states.

5.4 Transparency, secrecy and decision-making processes

An important dimension in these cases is the value afforded to secrecy and discretion, One of the most frequent thematic areas that emerged in the analysis related to lobbying, informal social networks between elites and the role of trust in these networks. In all three cities, issues were raised by participants classified as regulators (civil servants and politicians) relating to this topic. For instance, in Geneva an interviewee working for the federal customs authority raised the issue of informal networks of actors, albeit in carefully worded terms, in response to being asked if there are any regulatory concerns about the relationships between buyers and sellers

working in the freeport: 'that's the whole difficulty. It's not just about regulations around freeports.' Another participant likewise spoke about the social networks between art galleries, auction houses, lawyers, notaries, logisticians and financial players which it is unclear how to regulate, also commenting that his work has found similar issues in Luxembourg. This participant argued that lawyers are among the most powerful lobbying groups preventing greater transparency on this issue:

'There are also many lawyers in Parliament, so there is no real opposition to finance, even offshore finance... In Geneva, even the left parties don't oppose the industry. The finance sector is closely linked to the lawyers, and given there are so many lawyers in Parliament, they have a built-in lobby' (transparency campaigner in Geneva).

One participant in Geneva, a former campaigner with a transparency NGO, shared details of an off-the-record case of a parliamentarian lobbied through informal social networks. Elsewhere, this participant spoke about how referenda to tackle banking secrecy were heavily lobbied against by powerful business groups, which he said frightens progressive groups from pursuing the issue further. Other cases discussed included proven cases of bribery by some of the largest companies in Switzerland, who continue to fund lobbying groups even after being found guilty. While left-wing parties were criticised as being too timid to challenge these interests, both interviewees with backgrounds in transparency NGOs alleged that right-wing parties are even more closely plugged into social networks of elite actors in finance and law, alongside lobbying groups such as the Swiss Banking Federation. These groups attack criticism of Swiss banks and law firms as unpatriotic and potentially undermining the basis of the country's wealth, charging that without banking secrecy 'the great powers would "eat" Switzerland', neutralising opposition to the extent that 'there is no longer any political force opposed to the Swiss tax haven', in the words of the academic in Geneva. The following quote highlights the role of lobbying in blocking laws that powerful groups in Switzerland are opposed to:

'A concrete example where you saw the influence of lawyers was one of the reforms that was tried after the Panama Papers. It was a government proposal. Usually the [federal] government doesn't want to strengthen laws, but in that case, it was under international pressure. It was a proposal to strengthen the money laundering law with regards to lawyers, who would have had due diligence requirements if they are doing anything other than defending a client. At the moment, if they actively manage funds they are covered by the existing money laundering law. But the proposal would also cover if they were setting up financial structures. The idea was to add those activities to those covered by money laundering law, which would have meant they had to do due diligence on their clients and report if they have suspicions. And the lawyers lobby actually killed that in Parliament' (transparency campaigner in Geneva).

Moreover, within networks of actors, it appears that trust is a determining factor which can also mean that regulations are not strictly enforced, as one participant shared:

'People who work at the freeport say... we have rules, customs and so on. But at the end of the day, what's important is confidence. We can work because people trust us. But there's no control. I mean, there are no everyday checks from customs, for example. But if one day there is a check and you're caught, then you're kicked out' (federal customs official in Geneva).

This participant reported another surprise uncovered during an investigation of several freeports, including in Geneva:

'What surprised me is that the officers would only check the documents, not the goods. They check the list. And they said this is very convenient because they don't need to leave their office. They don't have time to check every box to see if the lists are accurate... Even if they wanted to do it, we lack the

resources. We'd need ten times the staff we currently have' (federal customs official in Geneva).

Similar points around the importance of informal social relationships built on trust, rather than consistently enforced regulation, were also noted in Monaco and Luxembourg. In Monaco, participants categorised as regulators – those working in the government or local authorities, for instance – were reticent to speak about this issue. Instead, a key insight came from a diamond dealer in the city, who spoke about the value of joining environmental protection groups which are passion projects of the Prince, which 'rich people who desire to meet the Prince and help him in something' tend to join. Likewise, the family office manager, with oversight and management of the wealth of a super-rich family, responded as follows when asked about finding such a job: 'how did I find this job? Well, they called me, let's say.' This appears to suggest that those working in these industries are socially connected and value a reputation for discretion shared and confirmed by other members of the network. This participant's statement also accords with Harrington's (2016) research on the close relationships between wealth managers and their clients.

Interviewees in Luxembourg spoke about several examples of informal networks, the role of trust and potential vulnerability to lobbying. As the academic in Luxembourg stated, informal networks such as that seen in the country are a feature of small states, and the small population of citizens makes it common to have people who are mayors and MPs simultaneously, along with other situations that would be seen as conflicts of interest in larger states. There is also the example shared by the architect in Luxembourg, who recounted the story of an apartment block that was built despite contravening planning laws, as the developer had informally spoken with a contact inside the municipality. Another issue, in the view of this participant, was that 'many people work for the municipality as a side job, and they are not really competent in what they are doing.' The academic in Luxembourg made several further points in this regard. Firstly, the importance of an 'informal' networking group of key politicians

and businesspeople was raised: 'that's the space where you have to be present, where you have access to leaders, and ultimately where you can make a fortune.' Upon learning that I had interviewed a politician, this participant expressed surprise:

'How did you get that sort of access? If you don't go drinking with these people, if you don't know them socially, if you are not visible in their informal gatherings, then normally you don't have any chance' (academic in Luxembourg).

Given the importance ascribed to trust, the inverse is that those who are perceived as having broken trust are rejected from the network. Participants spoke simultaneously about the importance of trust relationships while also sharing stories where trust was broken. For example, a participant working at Luxembourg Freeport spoke about a legal case against the major shareholder of the facility that led to an exodus of clients, put off by the critical media coverage. As the following quote demonstrates, discretion and the perception of trustworthiness are vital when offering services to the target clientele of a facility such as a luxury freeport:

'The art market is a lot about trust and being seen and not seen at the same time... A lot of art collectors want to have this kind of privacy and mystery around them. However they also like to be seen whenever there are big art fairs, such as TEFAF Maastricht, Art Basel or Art Miami. In my opinion, the way these people work, they like to have mystery around them. And I think the freeport does have that element of mystery. But the art collectors do not like to have transparency' (freeport employee in Luxembourg).

The notion of secrecy in politics was discussed to varying degrees in the three case study sites, especially in Geneva, where the issue was frequently raised by participants. By contrast, Monegasque participants came across as more guarded on questions about politics, and those who were not citizens reported having little knowledge

about politics in the city. The academic researching Monaco was an exception, speaking about how silence and a lack of responses are tools to maintain secrecy:

'Monegasque society is really entrenched. They don't like it when people from the outside do work on them... They were very suspicious and never truly wanted to understand my research. When I wanted [archival] material, they would say they don't have such materials, and I knew they were lying. They would always ask, "wouldn't you be happier doing research in France?" It was really like they were trying to push me away... I contacted people in the government, but they completely ignored me, so you've already got further than I ever got... Monaco is not very well studied. Unfortunately, a lot of scholars who do study it are not very forthcoming. They are maybe worried that they will lose their access' (academic researching Monaco).

This demonstrates how secrecy can be self-perpetuating if those researching Monaco uphold a culture of secrecy and eschew public criticism to maintain their access. The notion of secrecy was also raised by participants in Luxembourg, although less as a criticism of the government and more in reference to private actors. For instance, one of the architects who developed the freeport related how even they were forbidden from entering parts of the building once the project was complete. An employee at Luxembourg Freeport spoke about the importance of secrecy in the art market, saying 'art collectors do not like transparency... It feels like revealing information about themselves.' Likewise, the academic in Luxembourg talked about how the media can uphold secrecy, particularly around failures. The following point was made in reference to a lack of critical coverage of the freeport in the local media:

'You can always see in Luxembourg that certain communities start to become silent about issues. If an issue is not in the media, or if there is critical coverage, both of these are indicators that things are not going well' (academic in Luxembourg).

However, it was in Geneva that discussions most frequently arrived at the issue of secrecy, expressed either as a need for discretion as part of certain business models or a criticism of a general lack of transparency in the country. Several spoke about Switzerland operating in a legal grey zone, where regulation is ambiguous and secrecy is intense. As an interviewee stated:

'[Swiss regulation] is so complicated that you don't know what is the grey zone and what is legal. You lose control. You shouldn't need half a dozen lawyers to determine what is black, white and grey' (investigative journalist in Geneva).

This participant had investigated other cases and claimed that similar grey zones exist in Luxembourg and Singapore. With reference to this participant's work, we discussed laws protecting client secrecy and the power of banks and lawyers to silence the press, thus intensifying the secrecy around issues:

'Every time you write about the economy or money you have a problem, because the laws protect client secrecy and everything related to banks... Another problem is being sued. For the past ten or fifteen years it's automatic. You want to print investigative journalism and before you even go to print you have a phone call from lawyers saying that if you print you will get sued for one million francs' (investigative journalist in Geneva).

Other interviewees voiced similar opinions about the impacts of a culture of secrecy. A transparency campaigner in Geneva talked about the difficulty of 'following the money' in the offshore finance industry owing to complex corporate structures and a lack of publicly available data and figures. Likewise, an auctioneer in Geneva spoke about the secrecy around art collecting, with 'collectors who are very discreet, who are often not really from here... They don't want to be invited to events. They don't even want their presence known about.' Significant discussions around secrecy related to the freeport. For instance, the former politician in Geneva talked about issues with

looted Egyptian artefacts found in the facility during his time in office, and noted that 'the state had no opinion about the main issue in that case... I think even at the highest levels of politics in Geneva, people don't really know what is going on inside the freeport.' The secrecy of the freeport facilitating the trade in looted artefacts has been established as a major risk (Sadowski, 2021), which this participant's testimony confirmed. The extent of secrecy around the facility was confirmed in an interview with an urban planner in Geneva, who stated she did not know anything about the freeport: 'I know of its existence, but it is a black box. It's difficult to obtain information on freeports.' A transparency campaigner in Geneva also spoke about how the freeport is implicated in issues around smuggling and sanctions evasion, highlighting that 'beneficial ownership is the key problem' because shell companies that appear legitimate can be used to move art or other valuables, sell them inside the facility, and then transfer the money into the Swiss banking system. This is in line with Adam's (2017) research on shell companies concealing ownership of assets and concealing art market transactions for tax avoidance purposes. Another participant noted that scandals and scrutiny of freeports mean that business appears to be shifting to other facilities that offer greater discretion and secrecy:

'If you want to hide goods, chances are you'll go somewhere other than the Geneva Freeport. There are quieter and more discreet places. There are specialised customs warehouses. People are talking about it. In Switzerland, there are customs warehouses where there is no movement of goods' (federal customs official in Geneva).

Secrecy and a lack of transparency were also raised as issues, not only in the local economies and elite networks of the three cities, but also as characteristic features of their politics. The cities operate under different political models where the extent of democracy varies, as does the political orientation of the state. For instance, as the civil servant in Luxembourg discussed, in work relating to urban development, 'our Director always says, "I don't want to let the people decide about the urban planning of places

they will never live in", suggesting a lack of interest among decision-makers in meaningful public participation. Another key aspect of Luxembourg's political orientation is its pro-EU character, as an academic researching Luxembourg reported: 'no-one could even stand [for election] on a platform of leaving the EU. The country's economy depends on it, especially the finance industry.' There was generally confusion among interviewees around the role of the Grand Duke, with several participants supposing that it was a ceremonial function, and the freeport employee talking about how the aristocracy in Luxembourg functionally does not exist and plays no real role in the politics of the country.

This perception of a diminished or ceremonial role for the royal family in Luxembourg could not be more different from the responses in Monaco, where participants universally recognised the power and influence of the Prince. The urban planner reported that 'the Prince has supreme decision-making power', with the academic researching Monaco also saying that the country is effectively a one-party state, in which 'when the Prince wishes to do something, it's understood that [while] it's possible to voice protest or negotiate politics, in the end, he will decide what to do.' This same participant, who is not a citizen of the state, argued that Monegasques associate themselves with the Prince as the defender of the national interest against the influence of France; 'it's always regarded as necessary that the Prince remains a strong counterweight to the French.' Insights in this regard were shared by a palace official in Monaco, who described how the elected National Council can vote on bills, but the government of ministers appointed by the monarch can interrupt the legislative process by justifying itself, and the government can also accept a vote but decide not to transform a bill into law, with the government retaining the authority to block institutions and the budget vote. This participant described how 'when the Prince wants to make the main directions known, he does so, and then the National Council takes its responsibilities.' The National Council does not intervene in princely authority, showing that the power of the monarch goes far beyond the ceremonial and into directing politics in the city-state:

'The strength of the Prince is symbolic. If there is a disagreement, the Prince can use a message to the National Council to indicate his point of view. Everyone knows that there would be no Monaco without the Prince' (palace official in Monaco).

The Monegasque citizens appeared to closely associate themselves with the figure of the Prince and the decisions he makes, which were described as in the national interest. Monaco is thus the more extreme example of political power being concentrated in one individual, whereas in Luxembourg there is a symbolic separation of powers. In Geneva, there is another model still, in which democracy is understood as necessitating four rounds of referenda per year on all manner of topics. Given this direct democracy, interviewees working in local government spoke about how city councils in Switzerland have relatively limited powers, instead making plans that are passed onto the canton, as an urban planner discussed. Another urban planner in Geneva spoke about how representing a left-leaning city in a more right-leaning country means 'you have to be one step ahead, like in chess.' Nevertheless, participants generally agreed that the role of referenda in Switzerland was a positive, albeit with the issues of lobbying and the power of lobbying groups to push against issues discussed above. The former politician in Geneva highlighted that turnout in Geneva is very low – often struggling to exceed 30% in elections and referenda – and questioned why people are so disengaged, despite the power they have to set the political agenda. As this participant concluded, 'having too many opportunities to express your opinion, that is something strange to complain about in the Swiss case.'

A final factor relating to decision-making processes in these cities is the role of international pressure. In all three, participants spoke about the important role of international organisations and certain countries in shaping local decision-making. In Geneva, several participants claimed that Swiss politics is inherently conservative, with a transparency campaigner stating that 'change in Switzerland only comes about with pressure from abroad – the USA, EU, OECD and so on, with the US being the most

influential.' The participant highlighted the example of pressure on commodity trading in Russian oil, gas and precious metals through Switzerland, and half-hearted attempts by the Swiss authorities to apply sanctions to Russian firms and individuals, it being his belief that this is done only to a very limited and superficial extent. In Monaco, France was perceived as the main external influence on decisions. This leads to a 'very strong feeling of being dominated by outside forces', in the words of the academic researching Monaco, which may have led to greater association with the Prince as a defender of Monegasque interests against a perceived overbearing neighbour.

While Luxembourgish participants talked about the state having actively lobbied for the presence of as many European institutions as possible to diversify the economy and increase the state's influence, at the same time there was a sense among participants that the EU is both the greatest source of external pressure on Luxembourg as well as being the engine of its economic growth. For example, the politician in Luxembourg talked about pressure from international organisations around anti-money laundering and know-your-client regulations, arguing that Luxembourg is unfairly singled out by states that should instead invest in their own capacity to check that citizens have paid taxes due. The real estate developer suggested that 'maybe we don't really comply with the idea of an equal Europe... We gained a massive advantage from being a tax haven, and then the EU cracked down on us.' Once again, the academic in Luxembourg showed how international pressure was seen through the lens of competition in economic policy; Luxembourg held out against limiting full fiscal and bank secrecy until Switzerland did so, in order to not lose competitive advantages. In summary, the interviewees in these cities appeared to be very well aware of issues around secrecy and the existence of informal networks of decision-makers and business actors. They also highlighted the importance of external pressure and influence upon decision-making processes, as well as the influence of local lobbying and industry groups. Nevertheless, several participants were defensive when challenged on these issues, and it was striking that in Monaco, virtually all

participants reported having a limited knowledge about local politics, or gave short, perfunctory answers to questions.

5.5 Security perceptions and criminality risks

The final thematic area relating to the ecosystem of the three cities can be grouped together as findings around security perceptions and criminality risks. The freeport facilities were frequently mentioned regarding these two issues. As an auctioneer in Geneva put it, the appeal of the freeport is its security, as well as the belief that 'there will never be a war in Switzerland and these works could not be in a safer place than underground in a freeport.' An interviewee working in a finance business based in Geneva Freeport spoke about the facility as 'a super, super safe and very controlled place' where viewing pieces is only possible at 'private, invite-only events.' One of the architects who worked on freeports in Geneva and Luxembourg saw the facilities as part of a wider demand for securitised spaces among wealth elites, giving the example of a client who recently contacted the firm for a bunker and adding that the demand for secure facilities such as freeports is very high.

Participants reported feeling that these three cities are safe and orderly places to live, with visible police presence and low crime rates. The Luxembourg Freeport employee contrasted the safety of the country – being able to leave front doors unlocked – with the perceived danger of living in the UK, although the Luxembourgish politician appeared to link increasing numbers of foreign nationals in the country with the growth of criminality. This image of orderliness was particularly pronounced in Monaco; as the art dealer described, people follow the law in Monaco, drive sensibly and do not throw trash because they will mostly likely get a fine, given there are always police around. At the same time, as a visitor to the city-state, the perfectly cleaned streets and manicured gardens of Monaco gave an impression of sterility or unreality; a Disneyland version of a city on the French Riviera, as the family office manager in

Monaco described it. Another participant contrasted the safety of the city with that of the prime neighbourhoods of London:

'In Mayfair, I know that it's now becoming difficult to dress with a gold Rolex or an important piece of jewellery because you're at risk of being attacked. In Monaco, you can wear such jewellery and it is safe. In other cities it's riskier' (diamond dealer in Monaco).

Nevertheless, despite the apparent security and law-abiding character of the three cities, many participants were able to talk in detail about various forms of criminality that they had either directly encountered or heard about. In Monaco, one participant spoke about how wealth elites are obliged to stay a certain number of days per year in the city to qualify for tax residency:

'Honestly, I'm not sure that all of them stick to this number of days... You know, we have concierges. There is also the local police. They are like watchmen; they can tell who is arriving and who is leaving. So these wealthy guys try to bribe concierges... The concierges tell who is coming and leaving... They give some gifts, some money to these concierges. Just so they are nice' (family office manager in Monaco).

The above quote was not the only instance where a participant mentioned potential criminality they had encountered in their work. As an estate agent selling luxury homes in Monaco and the surrounding region stated, there are many people looking to buy property in the city who have made money by illicit means, 'but you learn how to watch out for these types of people: as they say, sunny place for shady people. They also keep things interesting and you as an agent on your toes.' During the interview with a Monegasque diamond dealer, the conversation turned to the freeport, which this participant rejected as being vulnerable to money laundering, giving examples of how easy it is to take diamonds across borders:

'You can put the stone in your pocket and go anywhere in the world and resell... Customs will not stop you. You can put diamonds on a stupid ring. For €1,000 you can have a cheap ring, but you can put diamonds on it and customs won't care. There are no rules so customs cannot stop you because it's as if you have a nice pair of shoes or a nice belt. You could even put a diamond on the belt! It's something that's your own possession and you can do whatever you want' (diamond dealer in Monaco).

While other forms of criminality were mentioned in Geneva, such as accusations of bribery, or the auctioneer saying 'you'd be surprised at how many people try to sell fake paintings with us', the freeport was generally viewed by the participants who knew about it as being particularly vulnerable to criminality and security risks, such as smuggling and money laundering. As both the investigative journalist and the former politician mentioned, cultural artefacts and art stolen by the Nazis are periodically discovered in the facility without proper certificates of ownership. A transparency campaigner described the freeport as 'a bulletproof possibility' for money laundering, particularly using art with subjective values and concealing beneficial ownership of the asset through a shell company registered offshore. In another case, this participant talked about a case of an influential French 'door opener', or someone with connections in high places, who allegedly made hundreds of thousands selling low-value pieces of art through the freeport to a Malaysian businessman who thereafter enjoyed greater connections with French politicians: 'he was definitely not an art collector interested in buying insignificant pieces of art.'

The freeport was also considered a criminality risk by participants in Luxembourg. Dismissed as 'a scam' by the Luxembourgish politician, one of the architects involved in the facility spoke about the perceptions of a lack of transparency that plague freeports. Indeed, even the freeport employee in Luxembourg spoke about the scandals involving the major shareholder of the facility, and following this reported that the government had since issued stricter regulations, diplomatically stating that

'we have clients leaving and we also decided not to continue with certain clients, for obvious reasons.' The academic in Luxembourg talked about how the European Parliament's scrutiny of the freeport demonstrated that 'the suspicions of fraud and money laundering in the freeport have been neither clarified nor banished.' However, aside from criticisms of the luxury freeport facility, participants in Luxembourg emphasised the stability of the state, a sense of security and low crime rates, which appeared to be seen as sources of pride and significant quality of life issues.

5.6 Conclusion

This chapter charted a series of distinctive characteristics of these case studies, reporting on the perceptions of interviewees towards the local ecosystems of the cities. These ecosystems are characterised by their prominent offshore finance industries and informal networks of elites and decision-makers; however, among the interviewees, the large populations of wealth elites in these cities were seen as detached, transient and did not appear to be widely known, especially in Geneva and Luxembourg. Interviewees' narratives described a series of local and cross-border externalities of the economic activities pursued in these cities, highlighting the importance of nearby borders in permitting inflows of capital and labour but also their selective permeability, with foreign workers on low incomes being forced to commute across the border. The interviewees primarily perceived migration status, rather than wealth or income, as the principal form of inequality in these settings. Findings also showed perceptions of these places as secure, stable and secretive, contrasted alongside reports from participants around risks of criminality that they knew about or had encountered.

As such, these findings contribute towards developing the theoretical framework of luxury state capture, particularly highlighting the role of a culture of secrecy and informal social networks. The framework proposes that the constellation of shared interests and prioritisation of inflows of wealth and wealth elites attracts support from the local population, which see strategies underpinning economic

growth as instrumental to maintaining generous local welfare provision. Overall, it appeared that through these welfare systems, the availability of well-paying jobs and/or social programmes, such as to safeguard access to housing, healthcare and education, citizens in the case studies tended to be supportive of the political economy of these cities, albeit with exceptions among those who were critical of perceived injustices towards foreign workers or the risks of corruption and criminality they observed. However, the critics appear to be a minority, judged by election and referendum results in these cities that have overwhelmingly endorsed the status quo. Another important feature of these cases is a shared finding of the significant barriers that foreign workers face in accessing citizenship, and thus the right to equal political participation and access to welfare provision. In particular, lower-income workers who are unable to afford to live in the cities appear to effectively have no potential for future integration into local society. Highlighting how local actors support and perpetuate the city's aura of security and economic success, interviewees reported a perception of popular support for maintaining barriers to citizenship, as well as the necessity of doing so to maintain the generosity of welfare systems. The participants also articulated very little criticism of wealth elites. Indeed, there seemed to be a highly limited awareness of the very presence of wealth elites, or consideration of how this group might be implicated in influencing local politics, driving demand for the services of the luxury freeport or distorting the housing markets in these cities.

6. Urban Spaces

6.1 Introduction

This chapter sets out findings in relation to the second research question, which asks 'how are urban spaces impacted by the demands and presence of wealth elites in these cities?' The chapter is organised into three sections, thematically arranged using the results of the analysis of data to demonstrate the impacts that the presence of large populations of wealth elites, inflows of capital and cultivating an economic model structured around offshore finance have upon the urban space of the city. The first section considers issues around density and urban growth, which were commonly raised by interviewees in all three cities. The second is themed around spaces of elite exit, encompassing forms drawn from Slobodian's work (2023) as well as the concept of libertecture, which traces right-libertarian principles of personal liberty and unfettered market activity in buildings, districts and infrastructures (Atkinson and O'Farrell, 2024). The spaces described here include gated communities and other forms of residential exit, portal spaces or private forms of transport infrastructure, necrotecture, and the proposed additional form of planetary modification. The analysis also notes the use of hostile or defensive design in and around these forms. The final section focuses on freeports as spaces of stealth luxury. One of the key elements discussed here is the sense of unreality, or altered reality, that pervades these cities. As such, this chapter highlights the spatial manifestations of luxury state capture, and how the secretive presence and consumption of wealth elites is both facilitated by and shapes the urban fabric of the city.

6.2 Density and urban growth

Walking in all three of the case study cities and taking field notes on affective atmospheres, the density of the urban fabric, its growth and constant redevelopment

were immediately apparent. Across all three case studies, there appeared to be two kinds of city existing in parallel with each other. The first comprised the small, perfectly maintained historic centres, with manicured trees, clean pavements, and relatively few people on the street, typically appearing as well-dressed and prosperous. At the same time and in the same city were larger, more modern areas devoted to privileged economic functions such as finance and legal services, characterised by contemporary glass office blocks and an almost total absence of street life, with virtually no other pedestrians walking around these sites, except perhaps suited office workers smoking cigarettes outside the blocks. There were also zones where modern development had encroached onto the fringes of the historic centre, resulting in combinations of older buildings and newer developments that show fragments of the older city such as in Image 2.



Image 2: A street just outside the historic centre of Luxembourg City.

Each space has its own affective atmosphere, at different times of the day and different seasons. This concept can thus be seen as inherently transient. There were nonetheless common features with regards to the feelings that emerged in these spaces and were

reported by interviewees. For example, walking Monaco requires adapting to its density and the steep mountainside upon which the city is constructed. A sense of disorientation in moving through this small city is compounded by the inability to see in a straight line, as skyscrapers curve around hairpin bends and the concrete walls of residential complexes block views of the sea, which is so often unseen while walking in Monaco. The exhaustion of attempting to walk the city is added to by the unfamiliarity of the commercial spaces and the lack of what might elsewhere be considered basic services; rather than supermarkets or cafes, there are outlets of private wealth managers with darkened windows and designer boutiques with security guards. This impression echoes Momus (2013, p.599), who noted the lack of services that elsewhere are part of everyday life: 'I searched in vain for a bakery or an *alimentation generale*. Instead there were spectral, abstract, useless things: private banks, beauty salons, clothes shops featuring ludicrously bijou outfits, parfumeurs, views.'

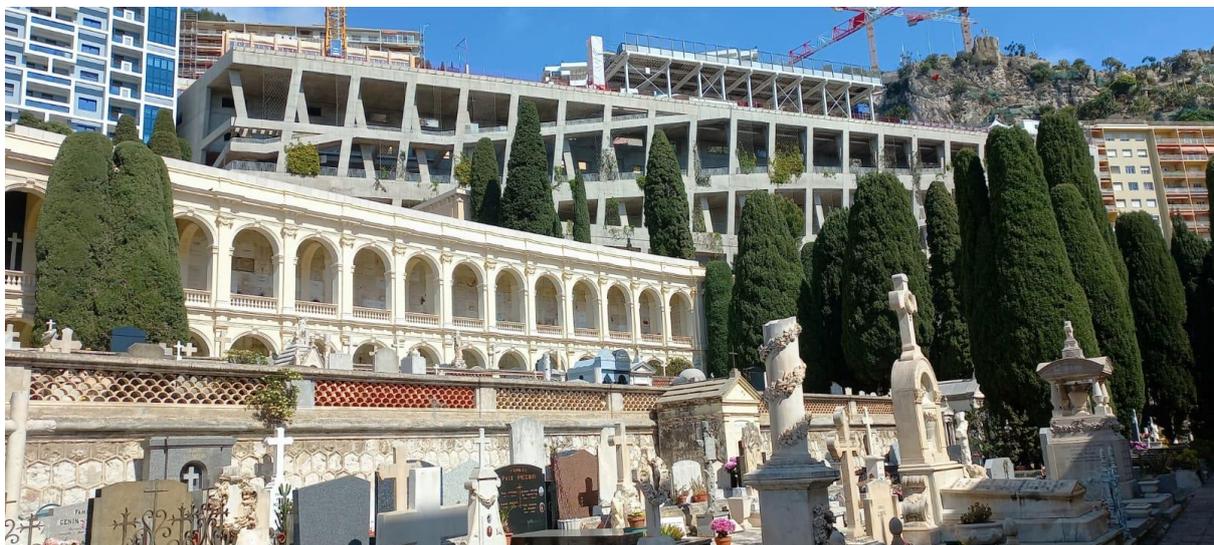


Image 3: Monaco's graveyard, showing layers of construction looming overhead.

Image 3 is an example of how the density and urban growth of the city, to produce new space for commercial exploitation, overwhelms its other functions. A graveyard gives a sense of the culture of a place through funerary architecture and the stories of the people buried there that are carved onto the gravestones. Such spaces are also typically calm and quiet, creating an affective environment for reflection that is removed from the noise and movement of the city. However, a visit to Monaco's graveyard reinforced the intensity of the development in Monaco, with layers of skyscrapers on all sides, contrasting the neoclassical design of the site with walls of concrete and plate glass towering above, along with the sound of construction activity and numerous cranes in every direction. The dismantling of the older Monaco, which was in large part a product of a touristic gaze, and its replacement with modernist blocks is described as a relatively uncontroversial process in Monegasque society (Rosticher Giordano, 2013). However, the urban spaces that have been created in this new Monaco evoke Augé's (1995, p.94) concept of the non-place in the anonymity and homogeneity of their aesthetics; their clear purpose of function, such as transit, commerce or leisure; and crucially how 'the user of a non-place is in a contractual relation with it (or with the powers that govern it).' The user of a heliport, casino, designer boutique or the lobby of an expensive apartment block staffed by a concierge enters a contract to use the space as per the terms of the owner of that space, and these spatial politics are underscored by the dearth of genuinely public spaces in Monaco. It was not possible to find benches or a quiet space to escape the density of the city and reminders of its endless construction. Indeed, even the perfectly manicured exotic gardens scattered throughout Monaco, and the richly stuccoed buildings on the Rock of Monaco, had a veneer of artificiality on unreality. I was reminded of the comment by the family office manager in Monaco, that the city is a Disneyland or a golden cage where to survive you must 'close your eyes' to the surroundings, which feel so unreal.



Image 4: Luxembourg City's historic Grund district.

A sense of unreality also pervades Luxembourg City, but whereas Monaco is so dense that the eye finds no place to rest, the Luxembourgish impression is the opposite. Walking around the city, I felt relaxed, as though visiting a spa or taking a 'nature bath' given the trees, plants and water that are so abundant in the city. When opening my window in a guesthouse near the train station, there was not urban noise but, unexpectedly, birdsong and the sound of the wind in the trees. Whereas walking around many cities requires being on guard – watching out for traffic, navigating crowds of people and flickers of concern about safety – I felt my body relax in Luxembourg City. There was an atmosphere of serenity that left me having to remind myself that this city was also a capital of the European Union and home to many international institutions. The historic centre of the city in particular has a sense of being in a model village: perhaps the idealised European section of a world cultures theme park. Image 4 shows the Grund district of the city, dating back to the fourteenth century, capturing the lush, tranquil calm that pervades much of Luxembourg. As noted in this chapter and the previous, many participants commented on this same feeling of being in a calm but unreal place. While in the city, I met with an acquaintance who has now moved to Luxembourg to work in the European institutions. When asked

how she liked living in the city she told me 'it's okay. I mean, it's very green, it's quiet, but I don't feel comfortable here, I couldn't stay.' This is reminiscent of the view of an architect interviewed in Luxembourg, who when asked the same question said 'it's probably the same thing everyone tells you': green, calm, quiet, that she can walk her dog everywhere, but she can't imagine staying. There thus appears to be a transient connection with Luxembourg among many of those who move there for work, even while they recognise the peace and quiet of this leafy city.

While Luxembourg City brings together much of what is considered good practice in contemporary urban design – green space, an extensive (and free) tram and bus network, wide and clean pavements, well-lit streets, preserved heritage architecture and so on, the entire effect is somewhat artificial in a city that is perfectly clean, without evidence of litter, graffiti, or even something as simple as a patch of grass that is not mown. The urban environment is similarly perfectly maintained but characterised by different building typologies on the Kirchberg plateau, where international banks and European institutions are headquartered. Here the feeling is somehow sterile, of massive hulking buildings surrounded by empty spaces, where the wind feels stronger and navigating as a pedestrian feels more tiring owing to the large distances between anonymous-looking glass and concrete blocks set well back from the road. As Image 5 shows, the urban space of Kirchberg is at once overbearing, with massive tower blocks and wide, open spaces, and yet has remarkably low social energy, with virtually no street life (or indeed traffic) along its broad boulevards. Signs at the entrances to buildings showed that major European institutions and international companies were based there, yet there was no feeling of activity, or of people moving with a sense of purpose. This was a place devoid of street life.

Walking around Kirchberg, with its innumerable glass blocks, or for that matter the glass towers around Geneva Freeport and the apartment blocks jutting out of the diminutive territory of Monaco, caused me to think about the reflective quality of glass that gives an illusion of transparency. Glass evokes the feeling of capitalism made

physical, given its fragility and need to be protected from harm. Glass is a high maintenance material which has tendency to give a false impression of openness; a shiny surface suggesting depth where none may be present. There is also the environmental catastrophe of trying to maintain a constant temperature while building with a material that creates spaces that are too hot in summer, like greenhouses, and too cold in winter. The sense when walking around such structures is how the pedestrian may be seen, perhaps from on high, whereas those within the buildings are invisible, behind tinted glass or the reflections of the sun and sky. Such structures thus contribute to affective atmospheres of being observed while walking in sterilised, securitised spaces, where one's presence and behaviour is monitored.

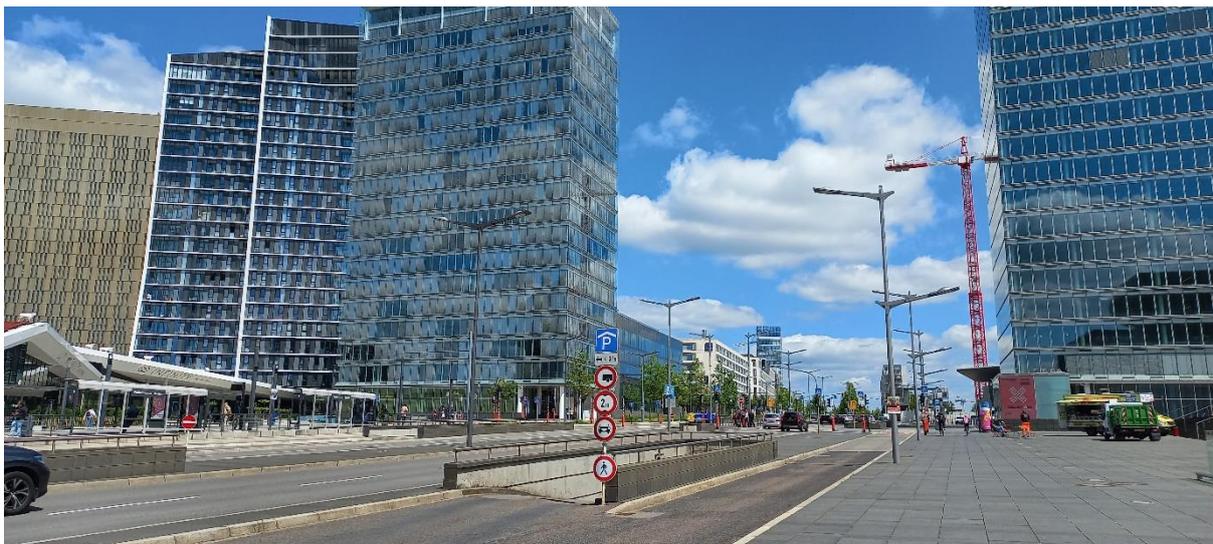


Image 5: The Kirchberg district of Luxembourg City.



Image 6: Geneva Freeport's Lancy site from a nearby residential street.

The old town of Geneva having very few people on the streets and appearing as a virtual ghost town after dark has already been noted. However, around much of the rest of the city, it appeared as a regular – albeit very wealthy – city in Western Europe. There were trams, shopping streets, a mixture of old and new buildings, and abundant evidence of urban development projects. Around the site of the freeport there was quite a remarkable contrast between the single-storey residential streets and the huge freeport facility, as well as the density of office blocks encircling the facility. This is highlighted in Image 6, where the otherwise quiet, suburban district of Lancy is physically dominated by the vast freeport facility. Likely by virtue of its population size, Geneva had a livelier atmosphere than the two other cities, and a greater diversity in terms of the ethnicities and styles of dress of the people on the streets than could be observed in Monaco and Luxembourg. Indeed, walking around Lake Geneva at nightfall, with a diverse population enjoying the space, my mind went to the squares with water fountains that are the heart of every town and village in the Mediterranean, where the community gathers, exchanges gossip, eats and plays. I considered the

symbolism of Geneva, home of international diplomacy, as such a village, with the lake and its huge fountain of water acting as the imaginary village square. The urban realm was thus rather enticing, and as in Luxembourg City, there was a sense of calmness and tranquillity pervading Geneva, with the snow-capped mountains in the distance beyond a vast lake that made the cool evening air feel even fresher.



Image 7: Contemporary apartment blocks tower over older mansion blocks in Monaco.

Densification and urban growth in the three cities mean that new blocks are being built on the site of more modestly sized buildings. The visual effect is to leave fragments of the older urban fabric, as shown in Image 7, with these older pieces of the city dwarfed by modern construction. The demand for residential units in Monaco is so high that there is a continual process of construction and reconstruction, as the urban planners and a palace official recounted. Nevertheless, while Monaco has the most expensive residential property market in the world, the impression was not one of desirability or comfort of this housing. This was confirmed by an art dealer who said that, because of the small size of the apartments, people in Monaco tend to like smaller paintings for

decorating their residences, given they usually have limited space. In addition, except for those on the highest floors, most apartments look out on other concrete blocks, rather than the Mediterranean Sea or the forested slopes of the Alps as they plunge into the azure water.

In Luxembourg, regulators who were interviewed stressed the dual challenges of housing a highly transient population and making forecasts for housing demand, also speaking about a shift away from homeownership towards renting. Even in the case of those who can afford to buy their homes, a civil servant who was interviewed talked about the government introducing legal reforms to move away from freehold and towards leasehold ownership. This participant spoke about the introduction of 99-year leases for the land upon which a property is built, in order to increase housing supply and reduce prices through incentivising developers to convert their land holdings into residential developments. The feudal-era leasehold model is not widespread in Europe outside of England and Wales and can be criticised as it leaves buyers responsible for paying for annual ground rent, with research also showing this system has only a minimal impact on reducing house prices (Caesar et al., 2019). This participant noted that the UK inspired the development of Luxembourg's leasehold model, also saying that 'for people buying houses with leaseholds, when you read the comments on social media, people say it's a rip-off.' While this interviewee did stress this was seen by the government as a way of encouraging developers to build more, potentially reducing prices, it is difficult to argue with the assessment of those complaining on social media about the model. The expansion and densification of Luxembourg City – and its functional geography covering 86% of the Luxembourgish population (OECD, 2022a) – was therefore projected to continue by the civil servant and urban planners in the city, because of legal changes guaranteeing a continuous revenue stream from the ownership of land that the property will be built upon.



Image 8: Cars parked on a street of private art galleries in Geneva.

The negative consequences of growth and density upon the local environment were also discussed by participants. In some ways, the spatial manifestation of urban environmental damage is typical of many cities: traffic jams, poor air quality, noise, urban density, urban heat islands and so on. A large Jeep parked on a narrow street in Geneva's old town, shown in Photograph 9, will be familiar to those who have spent time in the wealthy areas of London, where off-road vehicles are used to pick up groceries and drop off children. The number of such large cars around Geneva was jarring, given both its extensive public transportation system and the narrow streets of the old town. In Monaco, by contrast, it was sports cars with a lower and more streamlined presence that were most notable on the city-state's roads.



Image 9: Monaco's Larvotto Beach, the first artificial beach in the Mediterranean.

A final point on density and urban growth is the production of new spaces for exploitation. The concept of volumetric urbanism highlights the exploitation of space above and below ground, adding a vertical dimension to the typically horizontally aligned conceptualisation of the city. Research on volumetric urbanism emphasises not just the 'flat' territory of a city, but how new space can be produced through intense vertical development, both upwards and downwards (Marvin, 2015). In Luxembourg and Geneva, the volume of the city is visible upwards, with the developments of skyscrapers; downwards, with less privileged urban functions such as car parking, underground storage but also reports of extensions to individual housing units being hollowed out beneath the ground level; and outwards, with urban development being stimulated on the fringes of the city. In Monaco, by contrast, the intense volume of the city is distinctive, and multiple vertical levels are thoroughly integrated into the urban fabric. Navigating the city involves crossing aerial walkways, entering elevator shafts carved into the rock of the mountain, passing through subterranean malls, and taking outdoor escalators up and down across the mountainside terrain upon which Monaco is built. Highly characteristic of the urban space of Monaco is how the city produces new space through ambitious land

reclamation projects, which are discussed in greater detail below. These projects have dramatically altered the coastline of the city as the Mediterranean is annexed to produce new elite districts of luxury housing units. At the same time as these seaborne extensions to the city, several Monegasque interviewees talked about the Prince's personal interest in environmentalism such as by maintaining the Larvotto Marine Reserve, just off the coast of the Larvotto district that was reclaimed from the sea in the second half of the twentieth century. Looking over the artificial Larvotto Beach in Image 9 with the surreal sight of diggers dumping imported crystalline white sand, along with the unnatural line separating the teal waters of the shallow water off the beach from the darker blue of the deeper waters, environmental protection does not strike the viewer as a priority in these practices. Instead, such sites spatially manifest an ongoing search to exploit the natural world to produce new spaces for investment, consumption and leisure with which to attract wealth elites and their capital.

6.3 Spaces of elite exit

The fieldwork visits for this project uncovered that urban environments in the three cities are characterised by the proliferation of spaces of elite exit across their territory, including gated communities and other forms of residential exit, portal spaces such as heliports and private airports, and necrotecture, or dead urban spaces given over to investment imperatives. In addition, the three host important fiscal lockers in the form of their luxury freeports, which are analysed separately in the next section. Many of these built forms are charted in Slobodian's (2023) study on the perforations of the territory of the state, as spaces of elite exit proliferate within a context of right-libertarian ideas that are found to be increasingly circulating among wealth elites. Such spaces of elite exit physically manifest the presence of wealth elites in the three cities, and what Graham and Marvin (2001) refer to as the secessionary tendencies of elites. This social and spatial secession of wealth elites was also reflected in the interviews, where participants generally had little awareness of the presence of wealth elites or the impacts they had upon the city.

6.3.1 Residential exits

An important space of elite exit is the gated community, or guarded compounds and apartment buildings defended with concierges to control access. While not gated communities, Luxembourg's Kockelscheuer district has private roads with no public right of way, where sprawling houses are visible from nearby public roads, a form of residential exit in which the intrusion of those who are not residents is prohibited. The same is the case in Geneva's Cologny neighbourhood, where mansions overlook the lake and no public right of way is granted. Monaco did not appear to have gated communities in terms of inaccessible, gated or guarded streets as such, but there was an abundance of walled compounds of one or several apartment blocks, as shown Image 10, which was taken from a road passing above one such gated development. Within the gated enclosure is a garden space, or rather a series of garden spaces, creating small areas of green among the dense urbanism of Monaco that are not accessible to those who are not residents of the development. While the city has exceedingly few public spaces such as parks, these private green spaces in gated compounds were always empty when it was possible to see inside. There is a luxurious privilege of having access to such a space and not using it, akin to the manicured garden spaces found in gated communities (Klauser, 2010). The curved white concrete also appears to be a feature of contemporary development in Monaco, breaking up the modernist straight lines of postwar developments with gentler, faintly biological forms that might symbolically speak to the Principality's ambition to be seen as a model sustainable city. Throughout the three cities, the phenomenon of inaccessible streets, or footpaths with tall walls defending gated communities, creates a hostile environment at street level, reminding the pedestrian that there are places where they do not have the status to gain entry. As noted above, a sense of unreality was noted by many interviewees in the urban spaces examined in this research:

'You know, Luxembourg is not a real country. It's like a paradise, but if you compare it to Belgium, Germany and France, it's not real life... I can say that Luxembourg is a really nice country. We have beautiful nature. But the risk is to be trapped in something that is not real' (artist in Luxembourg).



Image 10: Gated apartment complex, Monaco.

It appeared that residential spaces of elite exit were most prominent in Monaco. As a city, Monaco might be considered as a particularly striking fusion of the interests and ideology of the monarch, who has studied financial management and undertaken courses with companies such as J.P. Morgan, with that of private capital and wealth elites. For instance, the density of construction is revealed in Image 11, with no free land whatsoever: outside the historic old town on the Rock on the right-hand side, which hosts the Prince's Palace, all other space in the territory is given over to the construction of offices and luxury apartment blocks. The cityscape is extremely dense and appears chaotic and inharmonious, with even the steep slopes of the mountain colonised for buildings, forming a wall of concrete that blocks the view of the sea at street level. This density of construction in Monaco to extract maximum value from

land highlights a territorial assetisation, or the transformation of space into a tradeable asset for investment purposes (Birch and Muniesa, 2020). Similar trends could be observed in Luxembourg. An urban planner in the city spoke about rampant speculation in the country's property market, and a politician in Luxembourg expanded on this issue, explaining that there is such intense demand for land and property that there is no land with which to host construction workers, or displaced persons in the country as part of an EU-wide programme after the war in Ukraine. This resulted in the spectacle of a 'tent city' in Kirchberg among the European and financial institutions at the heart of the Luxembourgish capital.



Image 11: Monaco from the neighbouring French town of Cap-d'Ail.

Franke's (2022) work on Monaco describes the role of the *Société des Bains de Mer*, the company managing the *Casino de Monte-Carlo*, the *Opéra de Monte-Carlo* and the luxurious *Hôtel de Paris*, in shaping the urban development of Monaco before the Second World War. This development was geared towards the aesthetics of wealthy European tourists visiting for warm weather and gambling, with a taste for monumental neoclassical architecture. In the post-war period, the Prince of Monaco

sought to diversify away from the casino and promote other economic sectors, particularly offshore finance. As an academic researching Monaco noted, this meant that the ruler 'quite deliberately destroyed Monte Carlo as this belle époque assemblage of hotels... and integrated it, erasing the individual districts and morphing it into one city-state', also adding that the construction of modernist concrete skyscrapers and other 'huge building programmes that erased a lot of old Monaco in the post-war period went through relatively unobstructed by civil movements.' The dominating power of a Prince who has worked and trained in major financial institutions and seeks to create an environment conducive to attracting these same institutions has the effect of shaping urban development towards the interests of private capital and those who hold it in Monaco, creating a cityscape perforated throughout with residential spaces of elite exit.

6.3.2 Portal spaces



Image 12: Monaco Heliport, built on land reclaimed from the sea.

Another space of elite exit is the portal space. Portal spaces are defined as an elite built form that facilitates the rapid and secure movement of wealthy bodies, and includes private airports, heliports and marinas (Atkinson and O'Farrell, 2024). However, even regular airports have aspects of such spatial orders, where systems exist to grant easier, faster and more discreet movement to wealthier individuals, such as security 'fast track' services, VIP lanes, private immigration services and the option of chartering a private jet. Geneva Airport is Switzerland's second busiest and offers a range of premium facilities and services, including VIP lounges and fast-track security and immigration procedures, as well as private jet services and charter helicopters to nearby ski resorts. The airport's location on the French border means it functions as a major freight hub for Switzerland and the European Union, despite not being a member state, allowing for the shipment of goods following EU procedures from one side of the facility to the other (Aéroport de Genève, 2023). In addition, a short drive away from Geneva across the French border is the Annecy-Mont Blanc Airport serving Alpine ski resorts in the area, which operates no commercial services but serves business passengers on charter flights or private jets. Luxembourg Airport also hosts a private jet terminal, with separate customs, border control and passenger security screening processes. In Monaco, a heliport was built in 1987 on land reclaimed from the sea, as shown in Image 12; helipads are suspended over the water, and a continuous stream of arrivals and departures demonstrates the demand for this luxury form of transport. This facility offers flights to nearby Nice Airport for a price of €700 per flight. One participant described how her clients use the facility; the comment on the price recalled the expression that 'time is money':

'You know, you can take the helicopter to Nice Airport. It's slightly more expensive. But in just seven minutes, you'll be at the airport. Whereas by car, it's 30-40 minutes... At Nice Airport, there is a small terminal for private aviation. You can see a lot of private jets' (family officer manager in Monaco).

Monaco also hosts a dense marina network, split between the vast Port Hercule and

the smaller Port Fontvieille, adjacent to the homonymous district that was reclaimed from the sea between the late 1960s and the 1990s. Fontvieille is the site of Monaco's heliport. Port Hercule hosts exclusive yachting events, such as Monaco Classic Week, the world's oldest annual gathering of yachts, and various regattas or yachting competitions, including the Primo Cup and the Grimaldi Trophy (named after the royal family), bringing together yacht owners in Monaco throughout the summer. The result is a large number of luxurious yachts that dock in the harbours of the city, as shown in Image 12, which also captures the racecourse for the Monaco Grand Prix that encircles Port Hercule. This view provides a glimpse of the idyllic nature of the French Riviera, with forested mountains falling into the crystalline waters of the Mediterranean, giving a suggestion of the kind of landscape that first attracted the European upper classes to winter in the area. Today, the density of construction along the coast between Nice and the Italian border gives the sense of a paradise lost to overdevelopment. At night, while much of Monaco has very low social energy, with large numbers of dark windows or closed shutters underscoring a sense of limited residential occupancy, the social life of the city seems to take place on these yachts, which appear to host parties, dinners and play music after dark.



Image 13: The view across Port Hercule in Monaco.

6.3.4 Necrotecture

The spaces of elite exit charted here have an influence upon the surrounding urban realm. The concept of necrotecture describes the dead urban spaces around buildings used principally as assets by wealth elites and produced as a response to investment imperatives, which have none of the vitality or organic social life associated with cities (Atkinson, 2018). In all three cities, such developments could be widely observed. Several participants in Monaco commented on how the city is largely empty outside of the summer and key events in the social calendar that attract wealthy visitors:

'All these cars, during summer you'll see a lot of beautiful cars, super expensive cars, lots of Arab people coming with their yachts, a lot of yachts in the summer but not in winter, that's when they go to the Caribbean, after the Yacht Show. We have a few big events, the Yacht Show, the tennis Rolex Cup and the Grand Prix. These are three big events in Monaco... [But] during the winter it's dead, there is nothing happening. But the hotels here stay open, while if you go to Saint Tropez, everything is closed, whereas in Monaco everything is open. They host some conferences, some events, they try to keep it open to do some activities. But it's not the same as during the Grand Prix' (family office manager in Monaco).

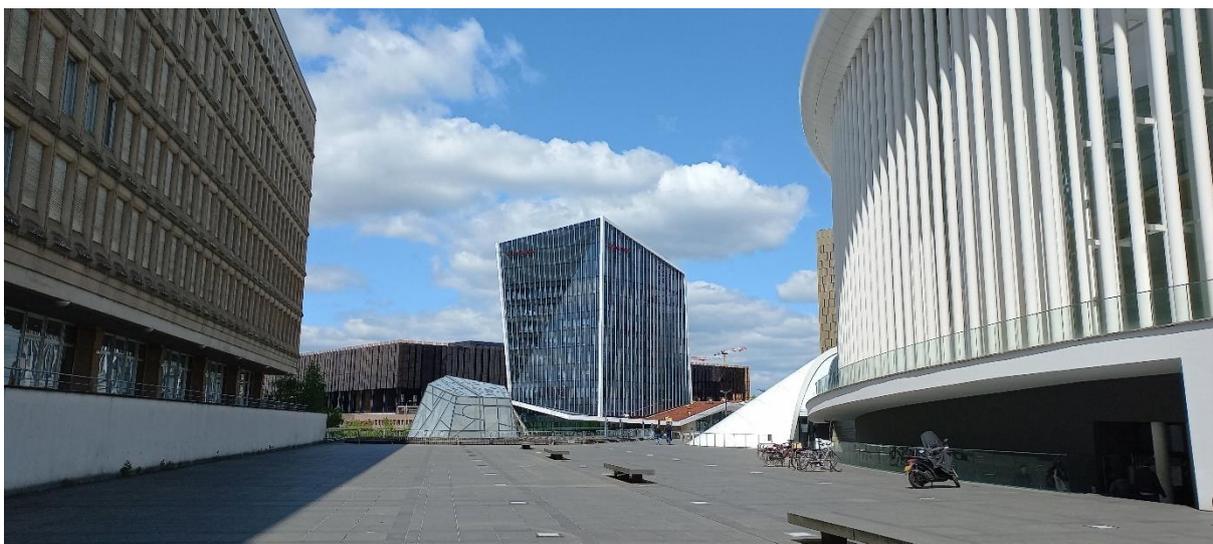


Image 14: Afternoon on a plaza at the centre of Luxembourg's Kirchberg.

In Geneva, walking around the historic centre revealed a place with very few people on the streets and a feeling of emptiness, akin to visiting a tourist destination out of season. An urban planner in the city spoke about how wealthy people from countries in the Gulf states and China buy up properties in the old town and visit only a few times per year, sapping life from the old town and displacing the traditional Genevan bourgeoisie in the process. The same trend could be observed in Luxembourg: the historic core of the city had very little social energy at night, with few people on the streets and what venues were open having few customers, except for a few raucous bars with professionals in work attire drinking and smoking. The sense of emptiness was particularly intense in the Kirchberg district. An academic in Luxembourg spoke about how Kirchberg has approximately 42,000 workspaces but only 4,000 residents, commenting that the attempts to improve the quality of public space in Kirchberg are laughable when it is a ghost town outside of office hours. An architect in Luxembourg also spoke about how in Kirchberg, 'most of the houses are empty, so that part of the city is dead at night. There's nobody there.' Visits to Kirchberg found small groups of office workers smoking or taking calls outside large blocks but, besides this, the area presented itself as a sterile urban realm with a feeling of emptiness. As Image 14 shows, attempts to create public squares in the spaces between office buildings are failures, producing wind tunnels out of the concrete and plate glass of the built environment in Kirchberg, again with the curved shapes, white concrete and shiny surfaces that characterise contemporary development in Monaco.



Image 15: 59 Boulevard de la Pétrusse, Luxembourg, a house on a residential street that hosts the offices of 10 corporations.

Also notable were the large number of houses that appeared not to be occupied but instead announced themselves as the headquarters for potentially a dozen or more corporations. This was observed in all three cities but was particularly pronounced in Luxembourg, where in what appeared to otherwise be residential areas, large numbers of houses allegedly hosting the headquarters of businesses had closed shutters and were dark at night. This created the same deadening effects on the surrounding urban space that is identified in the research on necrotecture. Alongside office blocks with a single mailbox for dozens of large companies, within the historic centre even small, semi-detached houses claimed to host large numbers of corporations, as shown in Image 15. This house hosts multiple companies, all of which are linked to Vitaly Malkin, a Russian-Israeli oligarch with an estimated fortune of \$1 billion who has been subject to allegations of money laundering and arms dealing. The presence of numerous buildings throughout Luxembourg City that were registered as the offices of so many companies is an example of letterbox practices: a legal address registered for tax

reasons, with the employees or beneficiaries of the company being outside the country (McGauran, 2016). It also highlights how the investment function of these former houses has displaced their traditional cultural and shelter functions under the influence of inward flows of capital (Soules, 2021).

6.3.4 Planetary modification

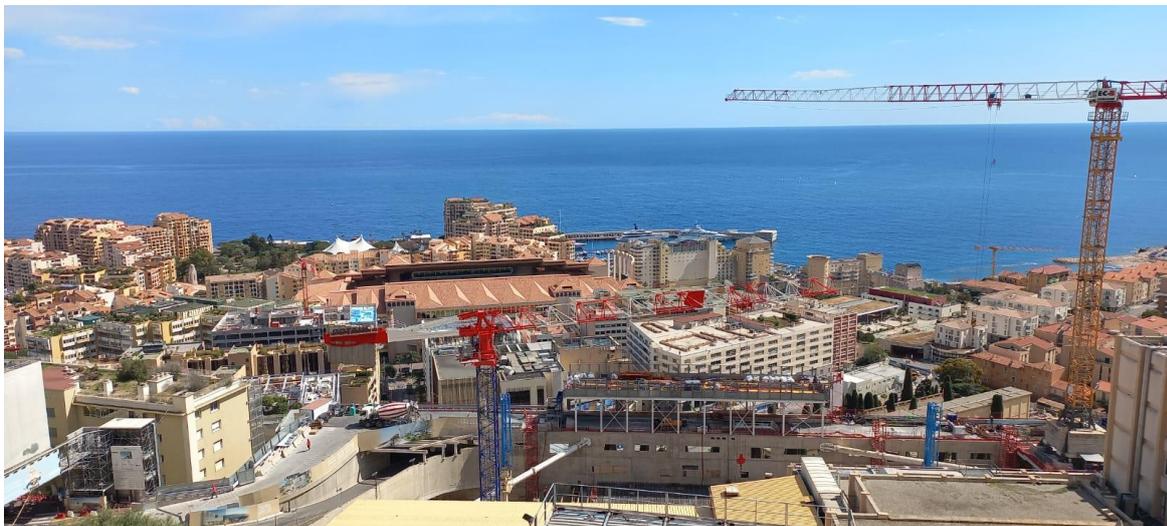


Image 16: The Fontvieille district of Monaco.

Working with the concept of volumetric urbanism, McNeil (2019) uses Singapore as a case study of the vertical and horizontal expansion of territory for exploitation, also considering land reclamation projects in the city-state's territorial waters. Similar projects can be observed in Monaco, with new territory being produced to host elite spaces including residential exits, freeport storage space and the portal space of a heliport. In research to develop a typology of spaces of elite exit, we charted a series of libertectures, or built forms that spatially manifest the right-libertarian ideas that are shown to be increasingly circulating among wealth elites (Atkinson and O'Farrell, 2024). Land reclamation projects as a form of planetary modification could also be

considered as a type of libertecture, perhaps a volumetric libertecture that expands the total land area available for exploitation. Planetary modification as a strategy to produce new space is prominent in Monaco, which since the 1960s has dramatically increased the land area of the state, and thus its residential and commercial space. Indeed, by now some 90% of Monaco's coastline is artificial (Toulier, 2013, p.561). Image 16 shows the view over the Fontvieille district, reclaimed from the sea and built on in the 1990s, with a dense cover of apartment buildings, office blocks and the city's heliport. This district is so well integrated into the rest of the cityscape and is so similar in its density and modernist architecture that walking through the area gives little indication that this space was on the seabed a few decades before.



Image 17: Blocks under construction in Mareterra, Monaco.

Planetary modification is a demonstration of power and wealth. Market imperatives demand new space for construction and consumption, combining with the power of the state to commission geoengineering projects in its territorial waters to artificially transform its geography in a dramatic manner. In Monaco, planetary modifications are

most spectacularly demonstrated in the districts built on what was previously the Mediterranean, but other planetary modifications include the hollowing out of the Alps; a person working at Monaco Freeport described how storage space, including for the freeport, has been created by excavating beneath city, creating an environment particularly well suited for the storage of fine wines (Engeco, no date). The latest seaborne district of Monaco under construction is Mareterra or Le Portier, which will host apartments for more than 3,400 future residents of the city-state in blocks such as those in Image 17. The name of this site on marketing materials, Mareterra, speaks of a sense of land dominating the sea, reversing the myth of Atlantis in a demonstration of power. This conquest of the sea to expand the city's territory is also claimed to be an important aspect of contemporary Monegasque nationalism and identity (Gamerdinger et al., 2023).

The blocks and the relatively small apartments they contain at Mareterra do not conform to how luxury might be understood elsewhere in terms of spaciousness, materials, decoration or access to gardens. Instead, luxuriousness in this case is predicated on the wealth and power inherent in the production and consumption of these units. The consumer is thus purchasing the aura of stealth luxury that Monaco cultivates, and undoubtedly is also motivated by Monaco's favourable taxation regime for residents. Furthermore, their location at the seafront of the city-state means that sea views are guaranteed for apartments along one side of these buildings, a rare commodity in Monaco given the density and verticality of the residential towers that block out views across much of the territory. The blocks are constructed on platforms built on reclaimed territory, as shown in Image 18, and are part of a series of land reclamation projects that have increased the area of Monaco by 62 hectares, or more than one-third of its original size. To give a sense of proportion, this is the equivalent of France expanding to include the Netherlands, Belgium, Luxembourg, Switzerland and much of Northern Italy (Gamerdinger et al., 2023).



Image 18: The process of constructing platforms in the sea upon which buildings will be erected.

An exhibition on the history of urban planning and design at the New National Museum of Monaco included a map of all proposed future extensions of the city, shown in Image 19 in dark blue. Noteworthy is Maymont's 1962 *Thalassopolis* proposal for a modular city that could be extended across the Mediterranean, which are the circular shaped structures on the right-hand side of the map. This project would have increased the habitable space of Monaco to include its territorial waters and conceptually is thus not far from the libertarian idea of seasteading. This proposal drew from the work of the Japanese Metabolist movement that was interested in the ideas of floating cities and biological, organic urban growth (Gamerdinger et al., 2023). The *Fontvieille 2* proposal made in the 1990s (bottom left of the map) would have further extended the artificial Fontvieille district with additional habitable space and new marinas for luxury yachts, highlighting the endless capacity for imagining the sea as a space for colonisation and the production of new territory.



Image 19: Monacopolis, a map of all proposed extensions to the (already enlarged) territory of Monaco (Rosticher Giordano, 2013).

Interviewees in Monaco spoke about the long history of building extensions to the territory of the city and saw it as one of the main ways to increase the exploitable volume of the city. As an official from the palace stated, 'in Monaco, the need for urban renewal is permanent; if we cannot build on the sea, we must build high up.' The two urban planners working in Monaco spoke about the contrast between extensions under the earth, such as underground parking, waste collection, facilities for utilities, the city's train station and 'structures without lighting', and the kinds of buildings constructed on the extensions into the sea, such as the Grimaldi Forum congress centre and the most exclusive residential developments. The focus on 'underground urban planning' in Monaco means that, while residential space is prioritised above ground, there is a subterranean 'complex tangle of access ramps and basement passages, escalators and lifts, tunnels and walkways in the middle of car parks, shopping malls, and leisure centres' (Toulier, 2013, p.560). Moving so many urban functions underground adds to a sense of intense verticality in the city, extending both above and beneath ground. This spatial dimension of Monaco was commented upon by Momus (2013, p.599), who also namechecks the two other case studies of this project: 'as in Switzerland and Luxembourg, everything was claustrophobic and vertical rather than spacious and horizontal. As in a dream, indoors and outdoors seemed to mingle.'

The skywards and subterranean dimensions of Monegasque urbanism align with Graham's (2016) work on volumetric urbanism, demonstrating the power of capital flows to transform how space is consumed. In this context, the extension to the territory of Monaco serves economic functions but is also an important source of local pride and identity, highlighting an alignment between the local population and the interests of wealth within a context of luxury state capture. An academic studying Monaco spoke about how these extensions to the city underpin national pride: '[they are] a point of pride, to be able to do that, to expand the territory of this micronation'. Further evidence was given by this participant, who spoke about how there are conscious attempts by Monegasque authorities to give a historic character to the new

neighbourhoods, such as through taking parts of destroyed churches and a section of the cathedral to build a replica 16th century church in Fontvieille. This suggests a self-conscious attempt to infuse reclaimed districts with a sense of Monegasque culture, highlighting that while international wealth elites may comprise a substantial part of the state's population, national prestige projects such as planetary modifications explicitly seek to emphasise connections with Monaco's historical identity.

Promotional material for the Mareterra development strongly underscores its environmental credentials and sustainability. The extent to which a neighbourhood built upon dredged land in a fragile marine habitat, potentially disrupting ocean currents and the already degraded marine ecosystems of the Mediterranean, is clearly questionable. An academic researching Monaco spoke about this, saying that 'in the last couple of years, Monaco really went into sustainable and environmentally friendly policies and tries to play the diplomatic card of being a model city for sustainable growth.' A palace official stated that the Prince has environmental commitments and will not build further extensions into the sea owing to the effects this has on marine wildlife. The eastern part of the territorial waters of Monaco have been designated as the Larvotto Marine Reserve, just off the coast of Larvotto Beach, the first artificial beach created in the Mediterranean (Gamerdinger et al., 2023). While this site is the most viable location for future extensions, interviewees expected no decisions to be made under the current Prince, with the next round of planetary modifications left to future monarchs to determine the extent of production of new space for hosting international wealth elites and their capital in the city-state.

6.4 Freeports as stealth luxury

An important spatial manifestation of the secretive presence of wealth elites, embodying the notions of elite exit and stealth luxury, is the presence of Europe's three most prominent luxury freeports in these cities. Fieldwork visits to the facilities found

that these sites are characterised by the design features of stealth luxury in line with Roberts' (2020, p.159) research on the concept, whereby luxury freeports embody the power of those who have the resources to make use these facilities vis-à-vis the rest of society. These facilities thus perpetuate a knowledge gap or ignorance among those in the out-group, without access to the site, versus those in the in-group who have knowledge about its functions and the power to make use of it. As such, a luxury freeport spatially manifests and symbolises the wealth and power of a privileged group who are the discreet clientele of such facilities, in line with Featherstone's work on symbolic luxury in which both the function of an elite space can be discerned in its design. To orientate the reader, the geographical locations of the facilities are shown in Images 20, 21 and 22.

Characteristic of these facilities is design features in line with the research on defensive urbanism that are used to guard the facilities and deter the entry of undesirable people, including barbed wire along high fences, guards with patrol dogs and banks of CCTV cameras (Zarobell, 2020b). The facilities also have characteristics in common with bunker design, such as blast-proof walls and excavated space underground. The rationale for describing these luxury freeports as built forms embodying the notion of stealth luxury flows from how these structures synthesise, in their form and function, the disparities of wealth, power and legal accountability of wealth elites and shell companies based offshore that make use of the sites. More than just storing and trading art, gold and other valuables, the luxury freeport is a space devoted to defensively guarding the material privileges of capital accumulation in a highly unequal system. These are spaces that operate in a legal grey zone, benefiting from legal privileges, security and the perception of stability that is conferred by states, while also sequestering wealth and assets stored offshore in a fictitious 'eternal transit', depriving states of the right to tax these goods (Schwarzkopf and Backsell, 2020). Storage and trade within luxury freeports frees high-value objects from tax obligations and enables them to function as assets that can easily be moved across borders and

exchanged for cash when the (typically obscured) beneficial owner of the asset desires. During the interviews, it was striking how little participants knew about the facilities, especially those working in official urban planning roles who reported a perception that the sites were black boxes that it was difficult to get information on. As a former politician in Geneva reported, even at the highest levels of politics in the city there is a lack of awareness of what happens inside the freeport. Such impressions further strengthen the notion of the freeport as a space of stealth luxury, accessible and understood only by wealth elites.

The three facilities have strong infrastructural connections, particularly with regards to access to an international border and rail connections, as well as nearby air- and seaports. Their interiors are described as largely comprising functionalist styles. An investigative journalist who had visited the site of Geneva Freeport at Lancy described the facility as a warehouse, albeit one with excellent facilities for viewing art. The interviewee working at Luxembourg Freeport similarly described the back rooms as a plain warehouse that contrasts to the more luxurious viewing rooms for art and an extravagant entrance lobby intended to make an impressive first impression. During the fieldwork, I was able to visit Monaco Freeport. Upon entry, the visitor is held in a closed, cage-like structure, similar to those that one might encounter at a pawnbrokers, and passports are checked and recorded before admission is granted. The interior had a clinical feeling of sterility. The air was cool, the space was saturated with the cold glow of fluorescent lighting and there was a corridor with closed metal gates along it. CCTV cameras observed the visitor, creating a feeling of being observed and a need to be still and follow instructions of staff. A room for restoring and photographing pieces was similarly cold: a concrete cube with the same white walls and grey floors that appeared to continue throughout the facility. The interior was evocative of the feeling of a hospital, albeit a highly secure and monitored facility, in its starkness and the sensation of being carefully observed.

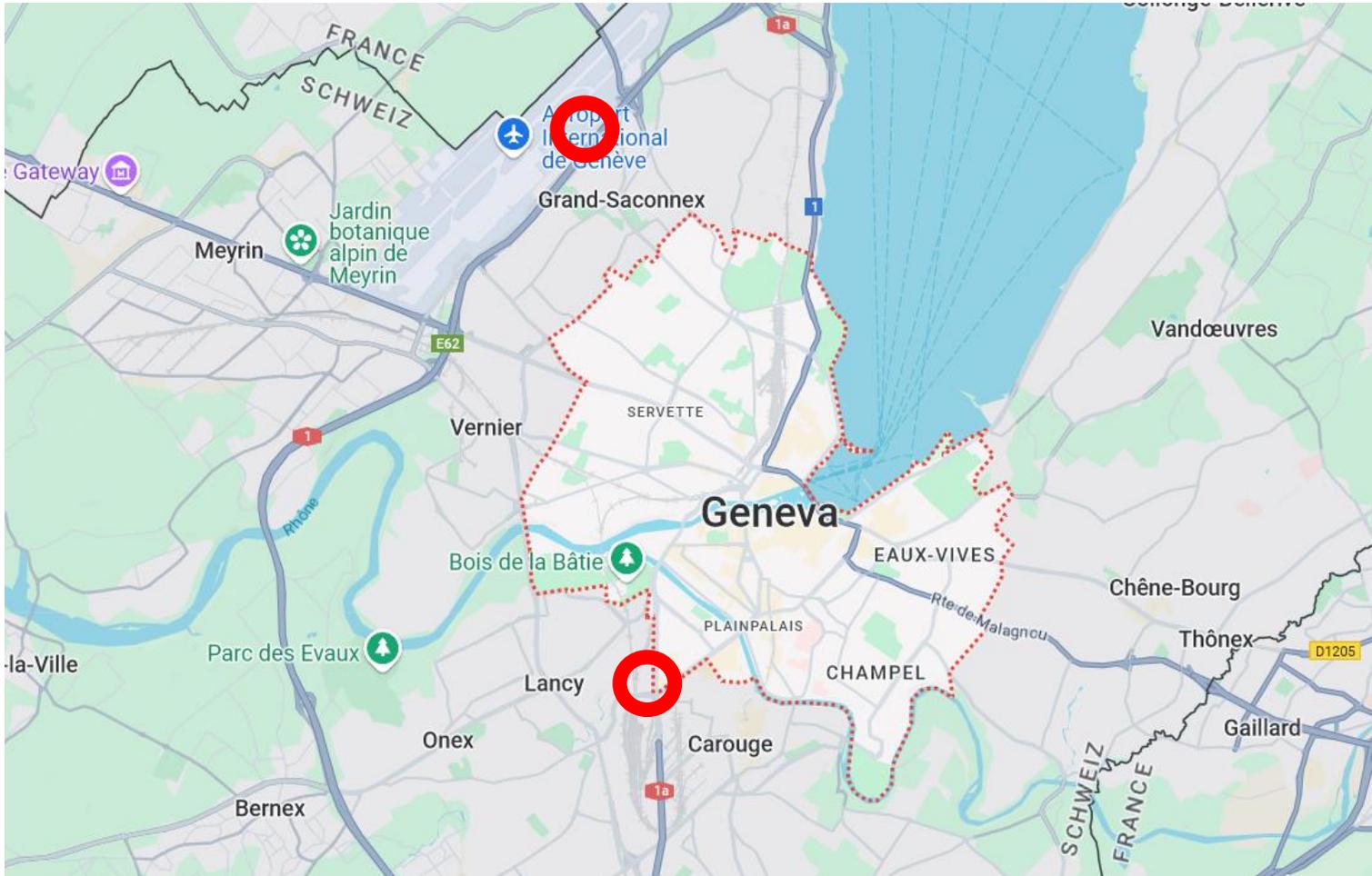


Image 20: The Geneva Freeport facilities at Lancy and the airport, circled (taken from Google Maps).

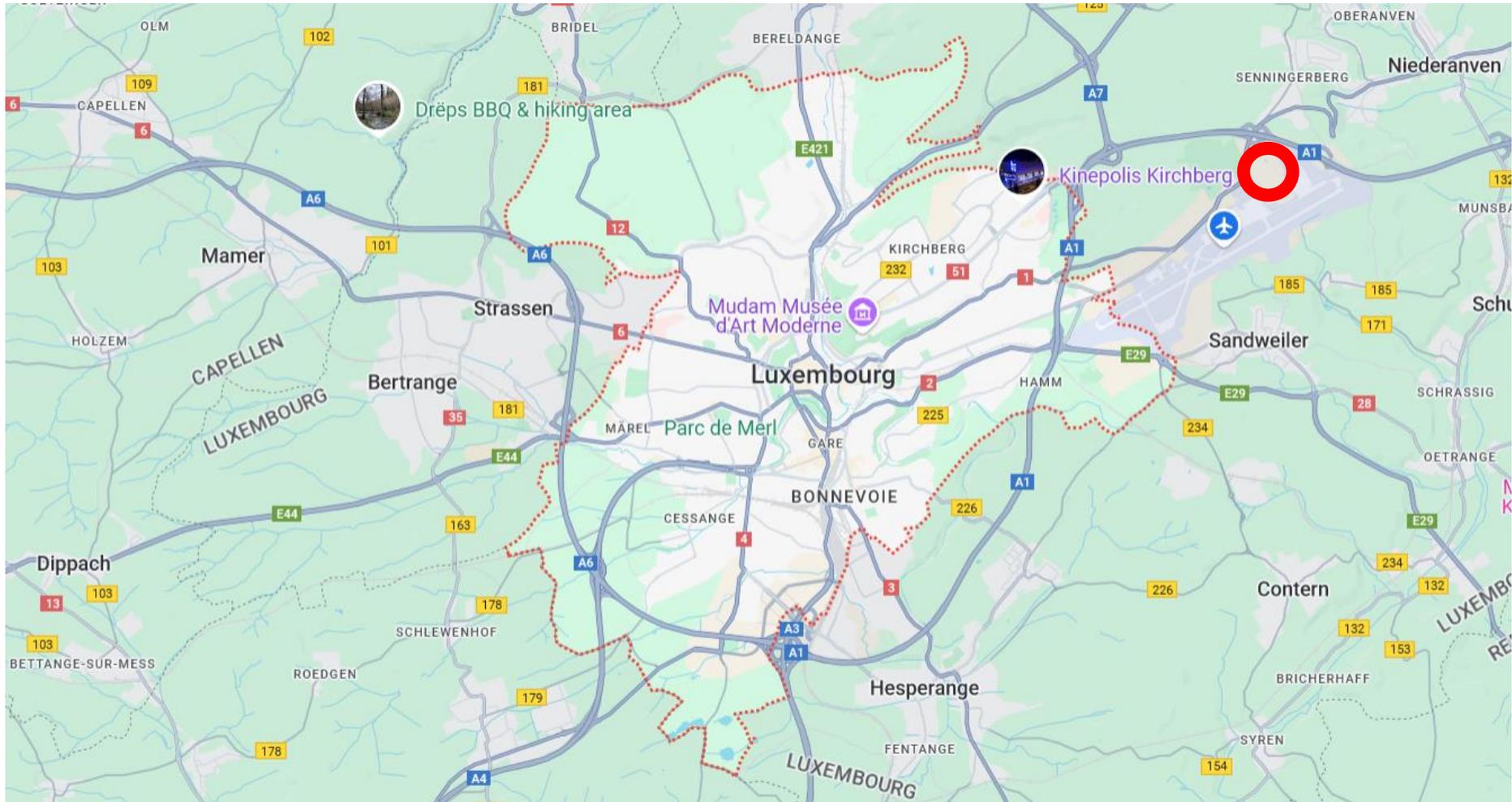


Image 21: The Luxembourg Freeport facility near the airport, circled (taken from Google Maps).

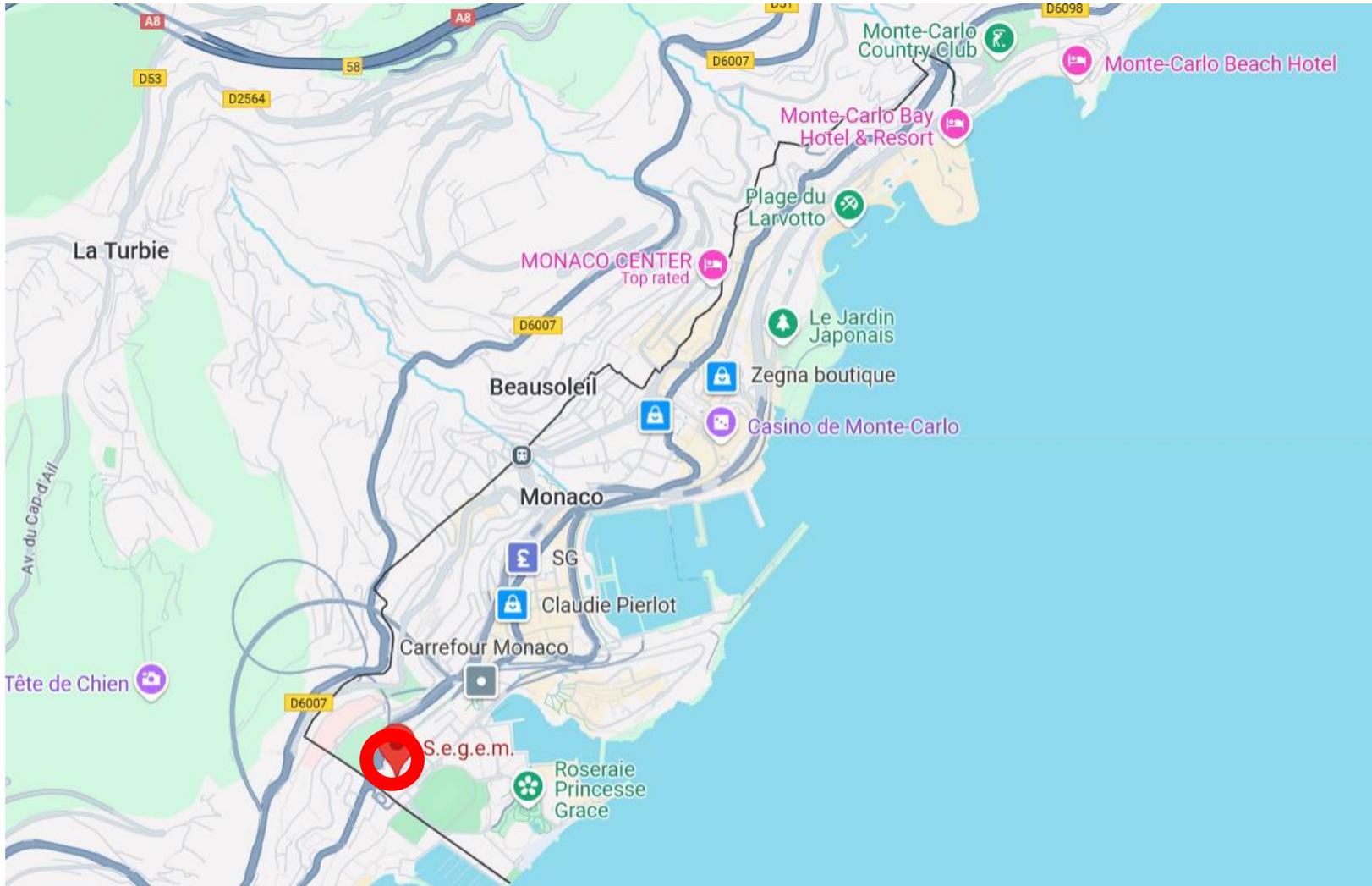


Image 22: Monaco Freeport, circled, in the reclaimed Fontvieille district (taken from Google Maps).

While there were defenders of these facilities (such as those working in an auction house, at an art business in the freeport or those directly employed by the freeport), there was a generally negative perception among interviewees who knew about their existence, including elected politicians, civil servants and urban planners. For example, several participants raised examples of criminality, from the trafficking of looted cultural artefacts to the alleged ease of smuggling diamonds, jewellery and watches out of the facilities that was reported by an investigative journalist in Geneva. Connections between freeports were also noted, with the interviewee working at Monaco Freeport reporting how goods were regularly sent between the facilities, suggesting a common space between the freeports evocative of the notion of splintering urbanism, whereby privileged sites are spatially detached from their surroundings and instead promote an international connection with similar spaces (Graham and Marvin, 2001). There is a lack of data on the flows of objects between freeports and the value of these objects, highlighting the cultivation of secrecy by those operating the sites. This creates a real challenge to quantifying the extent to which there are connections between the facilities, although this point was raised by participants working at these facilities.

At first glance, the exteriors of the three luxury freeports visually appear quite different. As shown in Image 23, Monaco Freeport blends in with its surroundings; indeed, it was very difficult to locate, and when arriving for the interview I had to circle the area several times until I found the correct entrance. As such, there was a sense of the facility being hidden in plain sight. The freeport occupies several floors of a building in the image, although a participant who works at the facility stated that the freeport also operates in other buildings around the city and is in the process of hollowing out additional storage space beneath Monaco. The developer of this underground storage facility describes it as 'the only one of its kind in terms of the construction of secure underground storage facilities', with its exact location remaining confidential. An additional 1,200 square metres of space at a depth of 50 metres below ground for the storage of art, jewellery, fine foods and wines is being developed

(Engeco, no date). Monaco Freeport is relatively small; the participant stated that the floor space of the facility we were in was around 600 square metres, with another 600 square metres elsewhere, not including the forthcoming underground extension.



Image 23: Monaco Freeport occupies several floors of this building (circled).

By contrast, Geneva Freeport is vast, occupying 150,000 square metres, of which 40% is occupied by art-related companies (Renauld, 2021). The area of the site is about three times the size of Windsor Castle, the largest inhabited castle in the world and the official residence of the British monarch. By virtue of its size, the Swiss facility is easier to locate than that in Monaco and has a more prominent presence, as shown in Image 24. The freeport comprises a series of warehouses akin to an industrial estate on the outskirts of any city, with grey cladding and discreet signs that are unlikely to warrant a second glance. The site is surrounded by a fence with tarpaulin behind it, meaning that the facility cannot be seen, as well as signs such as that shown in Image

25 warning about guards and dogs, which serves to deter anybody walking past from spending too long trying to look at what this facility is. Given the large footprint of the site, walking around its perimeter took half an hour, part of which along a major road. There are entrance gates to the building that have security posts and guards as the signs indicate. The impression was of a military base or secretive government installation that had incongruously landed in an industrial estate alongside fast food restaurants and huge office blocks for finance and consultancy firms. The atmosphere was of an unwelcoming space, with a sense that stopping to look at the facility may attract scrutiny from those guarding the site, and the noise and taste of air pollution from the busy road running alongside the freeport made this somewhere that visitors are unlikely to stumble across or linger for too long. The buildings themselves were inscrutable warehouses that looked more appropriate for the storage of construction materials; the realisation that a vast collection of art by great masters was housed inside created a feeling of dissonance between the design and function of the facility.



Image 24: The main building of Geneva Freeport's Lancy site.



Image 25: The exterior of Geneva's Freeport reminds those on the perimeter that their presence is being monitored.

Luxembourg Freeport has a more distinctive appearance, as shown in Image 26. Note that this image is taken from the website of the facility, given legal prohibitions around taking photographs of such structures in Luxembourg. The facility has a design that is gently reminiscent of a castle in its layout; this impression is further aided by the use of massive blocks of local stone in its construction. Rather than being camouflaged within existing office blocks or forming part of a sprawling industrial estate on the urban periphery, Luxembourg Freeport is visually striking. The location of the facility is essentially hidden, however, being accessed via a service road next to the airport with no pavements – a long and potentially dangerous walk as lorries thunder past, demonstrating that this is not a place to stumble upon, but rather is only to be visited by those who already know the purpose of the building. Unlike the other two sites, this

facility is located outside of the urban boundary and there is virtually no activity at the street level, with no cars or other pedestrians walking past. When approaching the site, the visitor comes down a gently sloping road with the facility ahead, giving the sensation of being watched from afar, again as though approaching a castle. The site is surrounded by fences topped with barbed wire. Very quickly, the visitor's presence attracts attention from security guards, who repel the presence of those who have no business at the site. As with the facility in Geneva, there was a sense that this is a defended site belonging to the state or security services, with a feeling of uneasiness for the visitor – a sensation that one should not be here and that there can be negative consequences for trespassing, even if one is found outside the facility.



Image 26: Luxembourg Freeport makes a striking impression (source: [Luxembourg High Security Hub](#)).

How to make sense of the variation in the exteriors of these facilities? It appears that all three adopt different strategies to appear as 'normal' facilities that blend into their surroundings, being present yet invisible at the same time. As a family office manager in Monaco commented, the freeport is 'an ugly warehouse, nothing special'; deliberately unlikely to attract attention, and indeed embedded within a building hosting various other services, including a parking garage for the city's fleet of cleaning trucks on the ground level. An architect from the firm that developed Luxembourg Freeport talked about how the main consideration was that the building needs to visually reassure users that the facility is secure, highlighting features such as the massiveness of the structure, the design of the walls, and the placement of windows meaning that from the outside, you can't see inside. Thus, in their design and intended use, this facility shares common features with bunkers, which have seen a growth in popularity as residential backup plans among the super-rich, being described as a territorialised attempt by the wealthiest to secede from society (Garrett and Klinke, 2019; Burrows et al., 2021). In terms of their design, the facilities have similarities to bunkers as well: locations in states perceived to be safe; climate-controlled and blast-proof interiors; a sophisticated range of security features; and the inability to see inside the facility from the outside, all of which is intended to defensively guard the structure's interiors, be they artworks or the bodies of wealth elites themselves. As a freeport employee in Monaco noted, people cannot simply walk in off the street into such a facility, and the building has a range of secret, hidden security features. This physical design of security and imperviousness to being seen or understood from the outside produces ignorance about the function of the building, shown in how none of the urban planners reported knowing anything about the freeports in their cities.

The sense of security and of being a bunker extends to the interiors of the facilities. The luxury freeports are used for storing and restoring art – as an investigative journalist in Geneva stated, 'you couldn't build a better showroom than the one they have, it's just perfect.' Most of the space is functional and given over to storage of objects. Given the high cost of constructing a luxury freeport, the storage spaces are

designed to be optimised and cost-effective, as an architect at a firm that worked on these facilities explained. Above, the interior of Monaco Freeport was described as a sterile, hard, cold and brightly lit environment with no decoration, creating an environment devoid of information that might signal the purpose of the space. A sense of anonymity appears to also be the case in Geneva Freeport; while I was not able to visit, one participant had been inside:

'Inside the freeport, company names are not listed. There are just numbers on doors. Trucks pull in without company names on them. The place is there, but it is not there. It's very opaque... The freeport has showrooms. You couldn't build a better showroom than the one they have. It's just perfect' (investigative journalist in Geneva).

Luxembourg Freeport has deliberately chosen a more impressive form of design, eschewing the anonymous warehouse style of its competitors in Europe. Given this is a departure from the two other major facilities in Europe, it appears that the ambition was also to create a more impressive interior, with photographs available online showing a more comfortable and stylish lobby than in Monaco Freeport. A participant working at the facility stated that this design was informed by the vision of Yves Bouvier, a major shareholder:

'Yves Bouvier, one of our shareholders, also being an art collector, means that he wanted to have a bunker but something also more artistic. We are a bunker, there are no windows, but on the outside we have special lights, which are not turned on right now because of electricity prices. The building also has a big lobby with art displayed in it. Bouvier being an art collector, he wanted to have that kind of space to have art previews in there. So he wanted not only to store art in a basic warehouse but have something more welcoming and artistic' (freeport employee in Luxembourg).

In email exchanges with a lighting designer who worked at the freeport, it was stated that the brief was 'sculptural light' or art-design rather than functional or theatrical light; 'light as an object' within spaces that are 'designed to be impressive and interesting, not just functional', with lighting to 'emphasise the sculptural qualities of the large spaces.' This brief again implies a desire to create a visually striking interior that feels more comfortable than the sterile and anonymous interiors described in Monaco and Geneva – although it is unclear whether those using these facilities desire an interior that signals the value of objects stored and traded there. Indeed, a family office manager in Monaco managed the family's art collection, and it seems unlikely that the owner of such pieces would regularly frequent the freeport in person, perhaps except when viewing pieces to purchase.

Designs that attract attention are not congruent with how stealth luxury is consumed, which prioritises discretion and not attracting unwanted attention and hence scrutiny (Roberts, 2020). Whereas the participant from Monaco Freeport reported the site being full and oversubscribed, and Geneva Freeport was likewise reported to be operating at capacity by a participant working in a business based at the site, the freeport employee in Luxembourg described how there has been relatively low demand to use the facility. Both a scandal involving Yves Bouvier and the COVID-19 pandemic were reported to have negatively impacted the demand for storage at the site. Alongside these issues, another difference is that space created inside Luxembourg Freeport appears more akin to a cutting-edge modern art gallery than a site for the discrete storage and exchange of valuable assets. The facility has also held open days, displaying parts of its art collection to the public. Such transparency might give a sheen of respectability to the facility following scandals and distinguishes the site from those in Monaco and Geneva, which are determinedly secretive and do not typically allow visitors. However, users of these facilities are likely not attracted by a perception of transparency, striking interior design or being open to the public, but instead value absolute secrecy and discretion.



Image 27: Office blocks around the Geneva Freeport site at Lancy.

The impact that freeports have upon the economies of these cities is impossible to quantify, given that they do not release data on the volume or value of transactions taking place or their number of employees and suppliers, and official statistics about the three sites were not available. Based on observations during site visits, in terms of their impacts upon infrastructure, this appears to be manageable; the volume of trucks and cars entering and exiting the sites is low and does not appear to contribute to congestion. Monaco Freeport is easily accessible, given the small geographical area of the city-state; the Geneva facility at Lancy is well-connected by public transport at a location well outside the city centre with little to attract visitors or attention. Luxembourg Freeport is the more relatively inaccessible from the city centre of the three, located far from the urban area, but its location along a service road next the country's airport likely highlights the expectation that most business conducted there would be linked to international clientele. With regards to their immediate areas, urban development around the site is most pronounced in Geneva, most likely a product of

its status as the largest and most well-established of the three. The Geneva facility is split across two sites, one near the airport and one on the outskirts of the city. I was not able to visit the airport site, which is used for goods moving internationally. The investigative journalist in Geneva commented on the irony that the freeport at the airport is next to a processing facility for refugees, remarking on the cruel irony that illegally obtained goods, such as 'dirty gold' smuggled from Peru, can move with greater freedom than human beings fleeing war. The second Geneva site, at Lancy on the urban fringe, has the appearance of an out-of-town industrial estate, with huge office blocks for Big Four consultancy firms and a range of other business and professional service firms as shown in Image 27. A federal customs officer spoke about how new neighbourhoods have been created around the freeports in Switzerland, and in the case of Lancy, the facility was claimed to have transformed a declining industrial district, bringing significant development and inward investment to the area.

Interviewees working in the art industry in Geneva and Monaco spoke about how the luxury freeports stimulate demand for their businesses, but this same perception was not shared by artists who were interviewed in the three cities, who had a more limited awareness of the sites, except in the case of a Genevan artist who had held an exhibition inside the freeport. An interviewee from Monaco Freeport spoke about how the facility supports the local art industry through creating jobs in restoration, art photography, specialist transportation, packaging and roles in provenance research. An auctioneer in Geneva stated that 'I think the freeport is probably why we have a bigger office and a larger presence in Geneva'. An art business owner working in Geneva Freeport spoke about how the security measures of the site mean storage is safer and insurance is cheaper than elsewhere, making it an attractive location for storing and trading art. However, in the case of Luxembourg, the luxury freeport was seen as having failed to stimulate the local art market, including by a politician who was interviewed. An employee of Luxembourg Freeport spoke about the challenges related to perceptions of illicit activities that has driven away potential customers, meaning the facility has moved to engage other sectors, but also

highlighted that the valuable goods stored in luxury freeports are not only gold or artworks, but also unnamed industrial products:

'[That perception of illicit activities] is why we changed our name [to Luxembourg High Security Hub]. We have moved away from art and are focusing instead on products such as precious metals such as gold, jewellery, diamonds and so on, as well as industrial products, such as pieces needed in the cockpits of planes, pieces which need to be stored really securely but also need to be dispatched quickly' (freeport employee in Luxembourg).

The freeport has been identified as an example of a building that contains wealth and hence power but does not reveal this to those outside (Roberts, 2020). Stealth luxury as an evolution of how luxury is consumed is a way of signalling status only to those who understand discreet markers of luxury and therefore wealth, evading wider scrutiny and potential safety threats this represents (Lee, 2019; Roberts, 2020). To experience or consume stealth luxury, such as the services on offer at a luxury freeport, is thus to have secret knowledge, predicated on the ignorance of those who are not 'in the know'. The Luxembourg Freeport may appear to not fit with the idea of stealth luxury given its lack of secretiveness; its prominence and design are clearly different to the other sites in this study. Moreover, following a series of scandals it has held public open days and is more closely monitored and reported upon. Geneva Freeport's anonymous design and out-of-town location attracts little attention, while Monaco Freeport can be considered as hidden in plain sight, being difficult to locate directly because it is woven into the dense urban fabric of the city. Nevertheless, anecdotal evidence suggests that even luxury freeport facilities have become seen as not discreet enough for some clientele. One interviewee, an official from the federal customs authority in Switzerland, suggested that the scrutiny and attention of freeports such as those in Luxembourg and Geneva means wealthy individuals and businesses are increasingly choosing customs warehouses to store valuable objects, stating that

'customs warehouses have a more flexible use and there are around 250 customs warehouses located throughout Switzerland, including in Geneva', compared with just eight freeports in the country. However, the scale of luxury freeports continues to offer benefits, relating to the density of services provided on-site and the ability to invest in security systems that reduce insurance premiums and risks to the assets stored there.

6.5 Conclusion

This chapter explored the urban spaces of the three case studies, highlighting how a culture of secrecy, intransparency and accommodation to the desires and demands of wealth elites is spatially manifested. The rapid pace of urban development and perceptions of increases in urban density were highlighted, as were a series of spaces of elite exit that facilitate the secession of wealth elites. This chapter additionally explored the notable elements of the design and surrounding infrastructure of the freeports in these cities, highlighting their stealth luxury and defensive features. Throughout, a pervading sense of unreality was observed in these spaces, and in many cases the difficulty of moving through the spaces as a pedestrian was also notable. While the first empirical chapter considered the local ecosystems and the institutional container of the state, this chapter reflected on the physical or spatial manifestations of policy decisions and investments within the context of this container. It highlighted the emergence of forms of urbanism that are shaped by elite secessionary tendencies, from residential exits to portal spaces and necroarchitecture, as well as planetary modifications producing entirely new spaces for consumption and commercial exploitation. The analysis highlights how wealth and wealth elites impact the built environment, introducing stealth luxury and exit as key elements in the development of the city in the interests of capital. This chapter thus demonstrated the impacts upon urban space and infrastructure of luxury state capture, with the influence of wealth elites merging with state power to produce forms privileging wealth elites and their security, secrecy and consumption.

7. Ideological Implications

7.1 Introduction

This chapter responds to research question three, which asked, 'what are the ideological implications of these ecosystems and spaces?' As such, it engages with the ideas and ideologies that emerged from analysis of the data and the findings uncovered in the previous two chapters. This chapter is organised into three sections, the first of which is centred around ideas about the economy, reflecting notions around competitiveness and growth in the case studies, and the pursuit of a distinct vision of economic success that participants felt was also related to an ambition to ensure quality of life and, for many, investment in welfare provision. The second section discusses issues around informality, highlighting regulatory ambiguity, the production of a legal grey zone and the role of personal relationships between actors. The third section considers emotional attachments to these places, highlighting notions of place-based pride, identity and connection to place. These three thematic areas highlight how the local ecosystems and urban spaces produced under luxury state capture are characterised by a commitment to secrecy and the avoidance of scrutiny, close relationships between decision-makers and economic actors, and an association of the presence of wealth elites and their capital with economic success, and hence quality of life for citizens. The final set of findings, around attachment to place, also demonstrate that populations are motivated to support luxury state capture not only through economic considerations, or a lack of knowledge and scrutiny of actions taking place within spaces of stealth luxury, but also powerful emotional connections to local history, culture, architecture, landscape and language.

7.2 Competitiveness and economic growth

Virtually all interviewees stressed the importance of maintaining economic growth and the crucial role of the state in achieving this. This combination of ideas appeared to be a key finding in the analysis. In line with this, the various interview encounters revealed that explicitly right-libertarian ideas did not appear to be foregrounded in the thinking of individuals as revealed by participants. Instead, most interviewees appeared to support the role of an active state intervening to create economic growth and competitive conditions alongside comprehensive welfare provision. This finding is in line with research on new state capitalism, whereby states are increasingly introducing strategies, incentives and regulations to promote economic growth and intervening in the economy, rather than taking a more laissez-faire approach of leaving this to the market (Musacchio and Lazzarini, 2014). Participants referenced the need to maintain growth, which the state was seen as vital in ensuring:

'The main constraint is to find ways to remain dynamic in this small territory. We are a dynamic state in terms of attractiveness, employment, residents and we need constant renewal of the territory to welcome new residents and activities' (urban planner in Monaco).

The importance of competing with other cities or states to maintain economic growth was stressed, even among those who were critical. For instance, the academic in Geneva, who was highly critical of the city's economic model, described a perception that reigned in the city that 'we are in permanent competition with London', and others named New York as the major competition, even if some, such as an auctioneer, made fun of this level of self-confidence. The academic in Geneva also talked about Switzerland as the most industrialised in Europe with a 'real economy', unlike states such as the Cayman Islands. In Monaco, there were fewer references made to competitors, although some participants did make comparisons with Singapore as another city-state described as thriving despite geographical limitations. Both urban

planners in Monaco spoke about ongoing policy challenges to maintain the city's dynamism in terms of attractiveness for investment.

It was in Luxembourg that participants were most engaged on the issue of competition. Geneva was often spoken about as a direct competitor to Luxembourg, although this did not appear to be mutual and was not reciprocated among participants in Geneva. An academic in Luxembourg talked about how the state had invested heavily in the freeport as an experimental strategy to attract investment, additionally hoping to develop the state's logistics and finance industries. This participant expanded on how the decision to undertake this experiment was reached, stating that politicians distrust academics and instead prefer corporate consultants. This point also highlights the importance placed on competing with Geneva among decision-makers:

'Usually when the government is thinking about what can be done, where to go in the future or what could be added to the country's portfolio, they give a small contract to one of the Big Four consultancy firms. And this is what they did in this case. They went to Deloitte, who looked at what already exists, particularly in Geneva and Singapore, and they found someone who was running major parts of both freeports. So they attracted him to be the main investor for the Luxembourg facility' (academic in Luxembourg).

This reliance on consultancy firms to guide decision-making by the state appears to also extend to the municipal level. There was thus a sense that the interests of the state and private sector actors have merged, especially in a context where a small number of firms – especially consultancy firms – and well-connected personnel within those firms are responsible for drafting and implementing regulations, which as Mazzucato and Collington (2023) highlight has the effect of 'infantilising' regulators, leaving them dependent upon private sector consultants for formulating policy. The existence of this risk was highlighted in Luxembourg:

‘I’ve read the different urban regulation documents for municipalities throughout Luxembourg and they’re basically all written by one of three companies... When all the documents are written and used by the same people, that might be a problem’ (architect in Luxembourg).

Other participants stated that economic decision-making in Luxembourg is opportunistic, making experiments which can quickly adapt depending on outcomes. A freeport employee spoke about how, following reputational issues with a major investor, the art market never took off at the site; instead, machine tools and parts of technology are stored there, as are valuables such as precious metals. This participant from the freeport also talked about how the facility is involved in discussions to act as a base for developing satellites and projects for the space industry, given that Luxembourg is the second country after the USA to develop a framework for corporate rights to mine asteroids.



Image 28: A wall of plaques outside an office building in Monaco.

Furthermore, as shown in the wall of registered companies in Monaco in Image 28, or the list of companies based at a townhouse in Luxembourg City shown in Image 15, another niche that these case studies have developed to enhance their competitiveness and attract inward flows of capital is letterbox practices. This is where there is a legal address for a company – often a shell company – listed in one jurisdiction, typically for taxation purposes, but the real economic activity and base of employees is in another jurisdiction (McGauran, 2016). One interviewee described how this happens, with official knowledge of the practice:

'A post-box economy of companies registering their legal headquarters, even if this is not exactly true. The government always denies this happens and claims that every company registered in Luxembourg needs to prove there is a real office with real employees working. [Yet] pictures show small buildings with 70 different companies based, which is pretty obviously fake' (academic in Luxembourg).

When pressed on the topic of economic growth, multiple participants established a link with welfare provision, highlighting a perception of the importance of growth and investment to maintain generous welfare provision. This is evidenced in the narratives of participants, such as the following:

'We can also say that property here is used as a globalisation dividend to the original population, which is dominant among the property owners. So they make a fortune. And also it is basically only native Luxembourgers who work with government, often in extremely well-paid public administration jobs. That's the second globalisation dividend. Because of the financial marketplace, the government runs massive surpluses, which allows them to operate a very generous spending policy' (academic in Luxembourg).

The above participant was one of several in Luxembourg who linked the economic growth of the state with very generous public spending policies. In Monaco, a

Monegasque urban planner also identified housing allocations and zero percent rates of tax as how citizens benefit from the state's budgetary situation:

'The state is building a large number of property developments in Monaco at its own expense to house the Monegasque population... We are lucky enough to have political stability and balanced budgets, and no need to resort to taxation' (urban planner in Monaco).

Public spending was viewed more cynically by a participant in Geneva, who suspected that this is a means of maintaining public consent for the Swiss economic model:

'The social system in Switzerland is the least you can do. If you plunder the world, you have to give a little bit to the employees otherwise the employees will not be with you' (academic in Geneva).



Image 29: Boutiques of luxury watch brands on Geneva's lakefront.

The signs of urban development were everywhere in the three cities. In Monaco, the skyline was studded with cranes and new constructions, along with subterranean shopping malls that maximised the land area of the city available for commercial exploitation. In Geneva, while the historic centre of the city comprises preserved heritage architecture and green spaces, along the urban fringes, such as at Lancy where the freeport is located, a hard concrete landscape of fences, motorways flanked by blank glass and concrete office blocks and fast-food outlets presents a bleak cityscape to the visitor. Earlier research by Halbert (2008) explored these contrasts throughout the city, highlighting the dual nature of Geneva as a historic city associated with the UN and peace, but also its offshore finance industry. This sense of visual contrast is captured in the distinction between the urbanism of Image 29, which is in the old town of Geneva and shows a series of premium watch brands operating out of neoclassical buildings on the lakefront, and that of Image 30, a McDonald's outlet opposite the freeport facility, ironically with a small advertisement for Chopard watches.



Image 30: A fast-food outlet next to the motorway exit for Geneva Freeport at Lancy.

The urban planners interviewed in Monaco stated that the main challenge facing the city-state is to maintain its economic dynamism despite the confines of a small territory, with dynamism explained as referring to attractiveness to investors, attractiveness as a space for employment opportunities and attractiveness as a place to live. By contrast, while those in Luxembourg and Geneva also articulated pro-growth narratives, there were hints of caution, noting challenges related to housing costs and environmental impacts of continuous economic growth and urban renewal. In Monaco, there seemed to be an assumption that growth could be infinite, even as it pushes against the basic fact of the small surface area of the city.

Participants generally felt that growth was essential in Luxembourg, albeit with some evidence of misgivings or criticisms of the externalities of economic growth. For instance, while a politician spoke about the importance of maintaining economic growth through attracting more migrants, this same participant noted that a belief that high economic growth is needed to guarantee social acceptance of migration, talking about his perception that anti-migrant sentiment in the UK is a result of deprivation across many regions of the country. A real estate developer in Luxembourg spoke about how the country's politicians have successfully achieved rapid growth and transformed living standards, but how simultaneously the country is struggling to digest the explosive increase in population and urbanisation that has taken place over the past few decades. Meanwhile in Geneva, while a focus on growth was again clear, there were participants who were openly sceptical of it, including the former politician and the academic who were interviewed. The first of the two felt that, although inequality in Geneva is relatively low, especially when compared to neighbouring countries, Geneva has grown too large and dense, which has negative environmental impacts. The academic adopted a much more critical approach focused on the negative consequences of economic growth, particularly those relating to wealth

extracted from the Global South that flows towards Swiss corporate headquarters, often by illicit means, such as through bribery or falsification of records:

'Normal corruption cases go under the radar here. The system is functional because of the problems in Switzerland and they want to avoid excesses, so we have the right to cheat and steal from others... There is normalised corruption in Switzerland' (academic in Geneva).

Competitiveness in these contexts often seemed to be understood as giving businesses whatever they want through flexible self-regulation:

'Economic policy in Switzerland in general has always been that we don't regulate, we incentivise self-regulation by sectors. For example, there's a big opposition, even by government itself, to do anything like the EU has done with the taxonomy that would define what is sustainable. What kind of investments do we consider sustainable? We just let the sector define that themselves and say that public pressure and client demands will make sure that this is really sustainable' (transparency campaigner in Geneva).

Such attitudes were particularly pronounced in Luxembourg, with analysis of the coded data showing that issues around competitiveness and economic growth were particularly prominent in this case study. This may be because the economy developed later than both Switzerland, which has a diversified industrial economy and long history in the banking sector, and Monaco that was already developed in the Victorian era as a gambling and tourism centre that subsequently diversified into offshore finance after the Second World War. In Luxembourg, peace and prosperity arrived more recently and was linked by many participants to the European Union. As a civil servant in the country mentioned, prime land in the city centre was seized by the state to ensure it could attract EU institutions and diversify the national economy:

'The government said that they wanted to keep the European institutions in Luxembourg, because there was always this struggle between Brussels,

Strasbourg and Luxembourg. The Luxembourgish government wanted to offer the best conditions to the European officials. And then they had to find a place where they could build the buildings. And then they expropriated the land. At that time, Kirchberg was cabbage fields!' (Civil servant in Luxembourg).

This later development and more violent history as a site fought over by neighbouring countries may explain why Luxembourgish participants stressed competitiveness to a greater extent than those in Geneva and Monaco, also making far more international comparisons. Another contextual factor is that the traditional economic base of Luxembourg, the steel industry, collapsed in the 1970s due to global overproduction and saturated demand for steel products. As an academic noted, this industry had been international in orientation from the outset owing to the small domestic market, which set a precedent for an international perspective in the country's economy, but also suggested that there has been a long history of state capture, or the merging of interests between government and business:

'The country was so small that for many decades it could not afford to have embassies in many countries. Even today, Luxembourg shares many embassies with Belgium, as it would be too expensive to have their own embassies everywhere. And before, the offices of some of the leading firms, such as a steel producer and machine facilities manufacturer, were used as embassies, for example throughout South America. So there were country representations of steel producers and machine tool manufacturers in South America that were the nodal points with which the government was connected to the local setting and to foreign governments to take care of international affairs' (academic in Luxembourg).

The Luxembourgish steel industry was initially stimulated by demand from Belgium and the Netherlands but attained significant growth owing to a customs union agreed with Germany in the 19th century, meaning that Luxembourgish steel was able to

access a large and wealthy neighbouring market. Participants in Luxembourg commented that the national economy remains dependent on foreign markets and as such membership of the EU is viewed as essential for the country's economy, and that even within conservative parties the suggestion of leaving the union is totally taboo.

As the steel sector declined, there was a pressing need to find new economic sectors in this small state. The civil servant commented that there was a widespread acknowledgement of a need to reinvent the country, and Luxembourgish politicians chose to attract European institutions and the offshore finance industry. The centre-right politician in Luxembourg City commented on how today the finance sector carries almost the entire economy, and is based not on domestic but rather international activity. A criticism here might be that history has shown the ways in which overdependence on a single sector can lead to instability, as shown in studies of small island offshore financial centres (Hampton and Christensen, 1998; 2002) and the implication of the offshore financial system in the 2008 GFC (Piketty, 2014). In addition, both the civil servant and the politician remarked that the attraction of EU institutions has been the second major plank of the government's economic strategy. It appears that accommodating both these internationally oriented sectors in a small state has necessitated significant and ongoing investment in infrastructure and urban development. The result is that Kirchberg has many large skyscrapers which is rather incongruous with the surrounding urbanism of Luxembourg City, highlighting a similarity with Monaco whereby the urban form has become vertical owing to the shortage of available land and intense demand for space. Much as SEZs spatially manifest ideas around 'perforating' the territory and regulation of the state in Slobodian's (2023) conceptualisation, so too does the intense urbanism of Kirchberg within the Luxembourgish small state setting manifest the economic ideology of decision-makers: from the expropriation of the land to state support for construction on the site, and provision of flexible regulation to subsequently attract financial actors to the site.

Another similarity between Luxembourg and Monaco can be seen in how competitiveness was discussed exclusively in terms of competing against other countries, which appears to be a product of the small size of these two states. For instance, a Luxembourgish politician spoke about how maintaining competitiveness means creating incentives for investment, flexibility in regulation, and 'finding out what financial actors need and want and then giving it to them.' Likewise, the participant working at Monaco Freeport spoke about the Monegasque government having a strategy to encourage industries through understanding and meeting their needs. The diamond dealer in Monaco spoke about the possibility of making social contacts with the Prince, who is keen to support businesses bringing economic growth to the city. While participants in Geneva did also speak about international competitors, a key element turned out to be intra-Swiss competition:

'There is a form of competition between Swiss cantons because there are not the same tax rules. Each canton has different things to offer and there is no single canton that siphons everything for the benefit of others' (urban planner in Geneva).

According to this participant, individual cantons have found their own economic niches and are not direct rivals with each other. In contrast, another participant – an academic in Geneva – spoke about how the cantons do compete, such as on personal taxation policies. For instance, the Canton of Zug offers lower tax rates that entice wealthy residents from the nearby Canton of Zurich. The notion of competitiveness thus appeared to be understood among the participants as a combination of low tax rates, flexible regulation adapted to business needs, excellent infrastructure and abundant human resources, increasingly sourced from beyond the border. This final point on the need for migrant labour speaks to a specific issue with the small state context that emerged in the research and has already been discussed in previous chapters, relating to a lack of natural resources and the population scale for a diverse range of skills, most strikingly in the cases of Luxembourg and Monaco. This results in an actively

intervening state seeking to support growth and competitiveness through policies and interventions in the interest of business actors, including facilitating inwards migration and investment in cross-border transport infrastructure.

While decision-making in the Monegasque state revolves around the Prince, participants in Geneva spoke about powerful lobbies within Parliament and external industry lobbying groups as drivers of policy, for example through ensuring continued commitment to banking secrecy across the political spectrum. In Luxembourg, the state was described as playing a very active role in the country's economic development by participants. This includes handing contracts to consultancy firms to draw lessons from international examples of economic development, or as a civil servant described, expropriating farmland at Kirchberg to build a new international quarter in Luxembourg City. An academic interviewed in Luxembourg highlighted an apparent contradiction in that the country is both very liberal in its attitude towards markets and yet has a highly active state, saying:

'The country has been very business friendly for a long time and was initially less bureaucratic than it is today. It's pretty contradictory actually, because on the one hand Luxembourg is very liberal. And on the other hand, it's pretty state run, as many small states are. In Luxembourg, the state is almost everywhere' (academic in Luxembourg).

This tension between a commitment to secrecy, self-regulation or deregulation for industry, alongside active intervention in domains such as housing, infrastructure and tightening rules around citizenship, can be considered an expression of the contours of policymaking within a context of luxury state capture. The interests of businesses and wealth elites state appear to have merged with the interests of the state and its population in the way that participants consistently talked about the need to increase competitiveness, attract capital and maintain high growth rates as overarching goals.

A further characteristic of the small state uncovered in this research appears to be a fixation among participants with making international comparisons. This manifested in a frequently critical stance towards neighbouring countries, although international comparisons with perceived economic success stories were also abundant in the interviews. For instance, a participant in Geneva spoke about the need to cater to the interests of the international organisations based there, which bring well-paying jobs and international prominence:

'In terms of Geneva, where there is the UN, we have the sector of international organisations. In this sector Geneva must be careful because we have little space available and there is strong competition from Vienna, Oslo and Copenhagen. It seems that in Norway they have modern and available premises. Here, we can no longer offer it so there are international organisations that are leaving' (urban planner in Geneva).

Participants shared beliefs that the local population is also sensitive to the notion of maintaining competitiveness. A conversation with a financial transparency campaigner in Geneva highlighted how the population is highly sensitive to the suggestion that London and Singapore will attract parts of the finance industry, to the detriment of the wealth and prestige of Geneva, which effectively mobilises voters against referenda on banking transparency. An academic in Geneva spoke about competition between cantons, but also the importance of competition with London, New York and Paris for trading, finance and art market actors and funds. This participant argued that Geneva sets itself apart from competitors not by its scale, density of actors or cultural provision, but rather by 'lax policy, low or non-existent taxation and banking secrecy.' In Monaco, the cities of London, New York and Singapore were also seen as economic competitors – particularly the latter, which as an economically dynamic city developing a reputation for environmentally conscious development was seen as a role model, according to several participants:

'We come back to urban design. Not to this idea of a Provençal agricultural mountain paradise, but to a modern dynamic city state, which is much more modelled on things like Singapore, which is something that Monaco, in my perspective, really wants to emulate' (academic researching Monaco).

A French civil servant working on economic development across the region believed that both Dubai and Tel Aviv compete with the French Riviera to attract tourists and wealthy retirees, highlighting a further kind of comparison. A family office manager for a wealthy family based in Monaco spoke about how the city effectively attracts the super-rich through its tax system offering more generous provisions than elsewhere. For example, on the topic of art, this participant spoke about how the VAT on art purchases is a driver of the market, contrasting the low VAT in countries such as Monaco and Cyprus that stimulates demand to purchase art in these states compared to other European jurisdictions.

While participants in Geneva and Monaco believed that the city is in competition with cities such as London, New York and Singapore, Luxembourgish participants had a rather more nearby point of comparison: Geneva was often identified as the principal rival across a range of sectors. A freeport employee spoke about the challenges of competing with Geneva when the EU sets stricter regulations on Luxembourg, and the academic spoke about how lobbyists in Luxembourg argue that financial transparency should seek a 'level playing field' with Geneva and other Swiss cities, 'which [are] considered the main competitors'. Likewise, this participant spoke about how the freeport in Luxembourg was inspired by looking to Geneva and Singapore and seeking to emulate interventions in those cities. There was little talk about competition with London; a politician in Luxembourg spoke about how the country does not want to compete directly with London as it does not have the space and staffing capacity to do so, instead seeking to fit into niches around back-office functions. Thus, while there was an international fixation in Luxembourg, it appeared

more regionally focused on European peers than the global perspective that existed in Geneva and Monaco.

Overall, the ideas in participants' narratives suggest that there is an understanding or acceptance of the importance ascribed to inwards investment, and provisions to maintain competitive in the eyes of businesses and wealthy individuals driving that investment. The state thus exploits its sovereignty to overcome some of the challenges associated with having a small territory, population and lack of natural resources on which to base economic development. The state uses its power to shape markets to attract inward capital, but also intervenes through generous welfare provision to mitigate the externalities these economic strategies have, for instance upon access to housing for citizens. An academic researching Luxembourg described how the state operates an almost socialist capitalism, with encouragement of investment and international business but also a defence of welfare and open borders, with even right-wing parties defending these principles. This is twinned with a defensive orientation towards defending citizenship and its associated benefits, which can be observed in the supermajority against voting rights for foreign nationals in the Luxembourgish referendum, the results of the 2023 Monegasque elections to the National Council in which all 24 seats were won by the right-wing conservative Monegasque National Union, and in Geneva in responses from participants highlighting that even left-wing and green politicians in the city and canton are afraid to criticise the finance and legal sectors, for fear of backlash by lobbies. Within this context, interventions such as freeports can be seen as tools to enhance competitiveness within the framework of global capitalism, with participants in Luxembourg stating that facility was opened to replicate the offering in what are considered peer cities, such as Singapore, which appeared to be an important lodestar in the aspirations of all three.

7.3 Regulatory ambiguity and confusion

Participants described informality frequently in the interviews. Deliberate regulatory ambiguity, with a lack of clarity or certainty over which agency regulates a particular industry or space, and how or by whom oversight should be conducted, was twinned with a perception that informal networks of decision-makers and business actors are where decisions are made. This fits within a wider ideology of secrecy and resistance to scrutiny in the three cities, producing spaces that facilitate business opportunities in what was referred to as the 'grey zone' by participants in Geneva, referring to a space where there is ambiguity in the law within or between states.



Image 31: Main entrance gate of Geneva Freeport at Lancy.

A participant from a transparency NGO in Geneva spoke about Switzerland as a state that has specialised at operating in the grey zone, saying that 'when you check the rules, it quickly becomes so sophisticated that you'd need to be a lawyer to understand what's legal, what's more or less legal and what is not'. This same participant spoke about luxury freeports, noting the confusion of what counts as Swiss territory and what is extraterritorial with regards to the facility, adding that customs officers are often

confused about the limits or extent of their competencies within these facilities and are at times unsure about how to check, prove or dispute compliance in accordance with regulations that are subject to change. This confusion resonates with the narratives of the urban planners and a politician in Geneva, who were unsure about what takes place within the freeport and what competencies the city, canton and federal authorities have to regulate these activities. It is worth noting here that, as in the other case studies, private companies are entrusted with the operation of the freeport while the customs authority is responsible for enforcing regulation, and as such calls towards tighter regulation of these facilities must also take into account the corporate operation of luxury freeports, and correspondingly different requirements of transparency and oversight. While the Canton of Geneva owns the freeport, it is operated by a private company, and as a transparency campaigner noted, transparency in Switzerland essentially stops when it comes to private businesses. Indeed, the Swiss federal customs official noted that even basic questions such as the value of goods stored inside the freeport are impossible to answer as there are no statistics produced. This fits into a pattern of laissez-faire regulation in Switzerland.



Image 32: A typical mix of financial and public institutions occupying the same building on Luxembourg's Kirchberg plateau.

Alongside this notion of a grey zone, walks around the cities highlighted the closeness of regulators and market actors in how frequently the two occupied the same buildings. Consider Images 31 and 32, showing the kinds of organisations occupying buildings around Geneva Freeport and on Luxembourg's Kirchberg plateau. Within the same buildings, there are signs showing that different floors are occupied by a mix of national regulators, law firms, private sector actors – typically banks and consultancy firms – and, in the case of Luxembourg, offices of various agencies of the European Union. During walks around Kirchberg, it was notable that even offices of financial and economic regulatory bodies of the EU share buildings with finance and consultancy businesses, which physically symbolises the closeness between regulators and market actors in this setting. As Wachsmuth (2014, p.75) has argued, the city 'might better be understood as a category of practice: an ideological representation of urbanization processes.' As such, Kirchberg spatially manifests the intertwining of the twin pillars of

the Luxembourgish economy, namely offshore finance and European institutions. The intermingling of government and market actors within the same spaces and same buildings was also the case in Monaco. While many government ministries are located on the Rock of Monaco, which is physically detached from the rest of the city and comprises smaller neoclassical buildings, many government functions related to economic issues are scattered throughout the territory. Particularly striking was a skyscraper at 9 Rue du Gabian in the artificial Fontvieille district, a building with what seemed like over one hundred plaques bearing the names of organisations based there, including the government's Economic Development Department. While this by itself does not indicate a conflict of interest, as a symbol of the fusion of state power with private sector interests the occupancy lists of these buildings appeared potent.

An additional form of regulatory ambiguity or confusion flowing from a lack of transparency in the case studies was a defensive sense of 'everybody else does it, so why can't we' with reference to international competitors. As such, there was a perception that competing in a race to the bottom in terms of standards is normal:

'I think that every other country also complies with the rules as far as they go but tries to gain an advantage at some point. As long as the rules are not very clearly defined and the punishments are not too severe if you go over them, I think that's how we [in Luxembourg] tried to live on a knife's edge, we pushed the boundaries to see how far they go. This is my impression, but I think it is normal way of liberal markets, you go as far as you can to gain as much advantage until somebody stops you or you fail. That's how liberal market societies work, which is the whole of Europe' (real estate developer in Luxembourg).

The Swiss federal customs officer, when asked about the potential criminality within the freeports, responded that it is important to recall that other countries have the same issues, appearing to deflect criticism of Switzerland:

'We have contacts with our foreign counterparts, but we have not worked with them on this issue [of regulating freeports]. They cannot look at what is happening in Switzerland, and they must look at what is happening in their own country. There have been scandals in freeports in Germany too. Foreign counterparts have no interest in studying these issues' (federal customs official in Geneva).

Tying into this narrative was a sense that the three cities are satisfying a demand that exists on the market for privacy and low taxes, with the suggestion that criticising the provider of the service ignores the fact that there is demand for these services, which can be met elsewhere instead. Indeed, this was exactly the narrative of a Luxembourgish politician – that it is not the responsibility of authorities in Luxembourg to check who has not paid their taxes due abroad, but rather the tax authorities in those countries. The investigative journalist in Geneva discussed how the freeport meets a demand for 'dirty gold' principally due to a lack of checks and the falsification of records on gold sent from states such as Peru, leading to the question of where ultimate culpability lies. Likewise, the transparency campaigner talked about how financial lobbies are also able to win popular support to defend the grey zone:

'There was the saying that Switzerland doesn't have banks, Switzerland is a bank. And banking secrecy was a holy cow together with the army, and it's in the DNA of the Swiss. I think that has changed. But for quite a long time [after the defeated 1984 referendum on removing banking secrecy], it took away the energy to try something that you lose anyway, because there are powerful lobbies that are able to throw much more money at campaigns. And in the end, what's always the case in those kinds of referendums is that they play with fear and say it will kill a big part of our economy, that banks will leave and go to London or Singapore, and you'll be much poorer' (transparency campaigner in Geneva).

Attitudes towards informal networks and lobbying within a context of deliberate regulatory ambiguity could be detected in the kinds of ideas that participants articulated when thinking about the role of social networks and mutual trust. On the one hand are the scandals that participants talked about, such as a Luxembourgish civil servant and an architect in the city discussing a report that had been released by the national Competition Authority into cartels in the construction and development industry, finding that actors had colluded to fix salaries for construction workers at a low level, thus depressing housebuilding and keeping prices high:

'This week a new analysis came out by the *Autorité de la Concurrence*, the Competition Authority. In the report, they said that the housing crisis has been caused by developers and construction companies colluding with each other and fixing salaries. They say they don't have enough workers on construction sites so they say they can't build more housing, but they have been holding the salaries low. So this issue of how developers and construction companies dominate the market and drive the housing crisis is really important. What can the Luxembourg government do when all the land is private? Should we buy it back using public money, which would give a lot of profits to those who own the land?' (Civil servant in Luxembourg).

In this vein, conversations in Geneva about the power of the legal and banking lobbies in Switzerland, which not only fund referendum campaigns but also support a lawyers who have been elected to parliament and serve as an internal lobby, also seem important. Critical scholars have addressed the role of lobbying within informal networks of business and government actors as a key feature in the emergence of a transnational capitalist class, in which shared values and ideas circulate (Van Fossen, 2012). Participants did not only speak about high-level lobbying such as that within the Grand Council of Geneva, but also reported encountering informal networks of actors in their own work. For instance, the Swiss customs officer spoke about how

freeports depend upon a network of relationships between individuals on and off site that it was not possible to regulate:

Participant: In Switzerland, there is a whole network between art galleries, auction houses, lawyers, notaries, specialized logisticians and forwarders and financial players on site who facilitate this type of exchange. You don't only find this in Switzerland, but also in Luxembourg, Singapore, London and New York.

Interviewer: Is the network between individuals an important factor?

Participant: These are the types of professions present on site and the skills present on site (at the freeport).

Interviewer: Do you mean that there are regulatory concerns about this network?

Participant: That's the whole difficulty, it's not just about the regulations around freeports' (federal customs official in Geneva).

Likewise, a Luxembourgish real estate developer spoke about how 'it's a very small country, so you basically know most people', which was confirmed in the interview with an architect in Luxembourg who spoke about the case of a municipality granting planning permission that contravened the regulations because the developer had a friend within the municipal authorities who had promised this permission. This accords with the account of an academic in Luxembourg, who stated that decision-making in the state is mostly run by informality, which runs the risk of undermining transparency in decision-making:

Participant: The system is so complex that the way how to deal with this is informality. So informal arrangements are extremely prevalent in Luxembourg.

Interviewer: Could that be the case in all small countries to a certain extent?

Participant: I think it is also common in bigger countries. But it's not that overarching. It's not that predominant. The usual comparison is France and Germany, because both have had some quite some influence on institutions in Luxembourg. In other countries, in larger countries, they have different layers that compensate for these informal ways, how to deal with issues, and the small state is almost free of these complex layers... Recently I saw several media articles arguing that this system has so many advantages, whereas five or six years ago there seemed to be a majority, or at least it was predominant to say this system needed to be changed. And then to think about how decisions are made in municipalities, it's mostly run by informality again' (academic in Luxembourg).

As an architect in Luxembourg highlighted, there is a shortage of staff with professional and technical skills in the country, and the small population means that most people working on a topic will encounter each other regularly. This is a common risk in the small state context, with a limited population and capacity for diversification in the local economy creating closer relationships between regulators and market actors (Beaverstock et al., 2011; Affolderbach and Carr, 2016). Other research on state capture has identified similar issues, such as how governments have become dependent on a small number of corporate actors – such as consultancy firms – to devise and enforce regulation (Mazzucato and Collington, 2023).

Connected to the social networks of professionals in these cities was also the issue of access to those with influence. The diamond dealer in Monaco spoke about the possibility of meeting the Prince and other key officials in person, such as in particular interest groups that the monarch is known to frequent, with this opening the possibility of establishing a beneficial relationship that can lead to further connections. Likewise, an academic in Luxembourg spoke about networking groups where elites from business and government gather to establish informal connections between each other that go on to be crucial in policymaking:

'They [a business magazine] have a club where you can pay for membership. I am not sure whether you need to work for an important organisation or if you need a recommendation from an existing member. I have been to a couple of their roundtables upon invitation, and it's the entire business elite of Luxembourg plus key decision-makers. That's the stage where you have to be present, where you have to have access to leaders, and ultimately where you can make a fortune' (academic in Luxembourg).

7.4 Place-based pride and identity

A key issue that emerged in the analysis relates to how those living in these settings made sense of their local identity, and how place-based pride is expressed in the discourses that participants adopted when talking about their city. There was a strong impression that participants were proud of the places in which they live and the traditional culture of these places, barring a few notable exceptions. This was set against earlier comments in the analysis, highlighting impacts arising from very large non-citizen population and the substantial numbers of cross-border workers, meaning that in a practical sense, citizens are always outnumbered in these cities, and particularly in Monaco and Luxembourg have very limited opportunity to use local languages. Nevertheless, the findings here on place-based pride and identity introduce a new theme into the literature on state capture. The existing research highlights the alignment of local political, economic and media elites with those of the offshore finance industry and wealth elites, suggesting shared ideas about political economy circulating in these settings (Hampton and Christensen, 1998; 2002). Other scholars have discussed how local electorates can also become captured, seeing the offshore finance industry as crucial for maintaining economic prosperity (Sikka, 2003). However, the findings of this research show that professionals do not consider the local or national interest solely in the framework of ideas around the economy, but instead

demonstrate a genuine attachment to place, with local culture, language and traditions being highly valued and motivating choices and attitudes.

In all three cities, the natural beauty of the surroundings was referenced as a source of pride, with connection to landscape being a key element of identity. Participants in Monaco talked about the beauty of the Mediterranean Sea and the mountains along the French Riviera, those in Luxembourg referenced the country's nature, rivers and sense of calm, and those in Geneva expressed a connection to the Alpine scenery of mountains and lakes such as that shown in Image 33, even as the former politician expressed dismay at the retreating glaciers and growing density of the city that challenged his perception of what it means to be Swiss. As such, both urban development within the city and the global economic processes upon which the wealth of Geneva is built were converging to challenge the traditional self-identity of the Swiss as a mountain people in a landscape of forests and glaciers:

'I think Geneva has become too much. And too much densification, in my opinion, diminishes your quality of life. Because nowadays, with climate issues, everybody is coming to realise that we need to preserve our natural environment and culture. One issue that is very important for me is that we are currently losing what made Switzerland so beautiful in the past, the glaciers. I think that in the next 20 years, they'll be mostly gone. And the city will keep getting denser and keep growing. I'm very concerned about how we treat our natural environment' (former politician in Geneva).



Image 33: The view over Lake Geneva with the Alps in the distance.

An additional point of local pride was the small and liveable size of these cities, which was compared with the stress and noise of megacities such as London and Paris. For many, this was perceived positively. A real estate agent in Monaco spoke about how people across the French Riviera are more laidback and have a stronger sense of community but combine this with an entrepreneurial character. Likewise, an Italian art dealer working in the city praised how people in Monaco drive sensibly and don't throw trash in the street, which she attributed to a strong police presence that made her feel safe when walking alone at night. Several participants focused on the calm and historical atmosphere on the Rock of Monaco shown in Image 34, which in style and atmosphere is a world away from the rest of the territory of the city-state. For others, this small city was described as a 'golden cage'; consider the family office manager who spoke about how artificial Monaco feels, describing it as 'a big village' where you cannot have privacy – even a supermarket trip results in seeing colleagues and people

you know – with an atmosphere that she felt was more appropriate to old people, with little cultural infrastructure or nightlife for younger residents.



Image 34: The streets of Monaco's old town.

Similarly, participants in Luxembourg described the city as small and liveable, with many commenting on the calm pace of life and ability to live a more relaxed lifestyle, such as an architect talking about the ease of walking a dog around Luxembourg City, even while living in the centre, owing to the large amounts of green space. An academic researching Luxembourg discussed how 'small is beautiful', not only in terms of the less stressful urban environment but also how people feel more empowered to have an impact on government and make a difference on issues they care about, with the small size also creating more opportunities to connect with decision-makers and those working in your industry. Finally, those in Geneva talked about the small size and international character of the city, which was frequently referenced as providing the

best of liveability and cosmopolitanism in one place – a narrative which also circulated in the two other cities, albeit to lesser degrees. For example:

'Here, I live by the lake in a beautiful old-fashioned apartment with parquet floor and high ceilings and mouldings. And it is very charming. And it is calm. The big park is nearby, so every day I walk in the park before going into the studio after lunch, which is, you know, something you can't really leave... What I like about Geneva is that international feeling, there is a feeling that things are happening here. There is something about Geneva. Like the concerts at the Victoria Hall are amazing quality classical music, the programme is excellent. It's a small city, but it has the advantages of a huge metropolis. That's fantastic' (artist in Geneva).

Concerns about the preservation of architectural heritage as a cultural and historical symbol were raised in all three cities. This was most contentious in the case of Monaco. The literature talks about a lack of emotional or nationalistic attachment in Monaco to the belle époque architecture of the Victorian period, given that this was associated with visiting wealthy tourists rather than local Provençal culture and vernacular style (Rosticher Giordano, 2013). Participants with official roles, such as the two urban planners and the palace official, discussed efforts to safeguard important examples of heritage architecture while also balancing the need for urban renewal and construction. Walking the full extent of the city reveals just how many of the buildings in Monaco are concrete modernist blocks with little reference to the regional vernacular styles or the belle époque movement. Other researchers have claimed that modernist developments are a greater source of local pride and identity (Gamerdinger et al., 2023). However, it was unclear in the interviews whether either historical or post-war buildings were seen as being more authentically Monegasque to the participants.



Image 35: Monaco's royal palace, seat of the Grimaldi dynasty.

An academic researching the city talked about how the use of modern techniques to expand the territory of Monaco through land reclamation is a point of national pride, also referencing how, in the construction of new districts, there have been efforts to include some elements of local architectural style, such as by taking parts of ruined churches and a section of the cathedral to build a church that would then appear older than the district it was situated within. Nevertheless, it remains unclear what Monegasque style in the built environment means; the academic spoke about how there is very little effort among locals to explain what their identity is and how foreigners might take it on, and nor is the idea of an authentic local architectural or artistic style seriously talked about. Instead, as the analysis has discussed elsewhere, Monegasque identity appears to be linked to both the Prince and the architectural assemblage of the Rock of Monaco culminating in the royal palace shown in Image 35. As the palace official said, 'everyone knows that there would be no Monaco without the Prince'. The Prince's Palace is an asymmetrical building, with extensions added over the centuries and a façade that makes lavish use of stucco, a material that is common across the entire old town of Monaco. Nevertheless, the historically fortified old town above the rest of the territory is an important symbol of the city-state's independence:

'[Historically, the idea was that] we are a tiny mountain people, and we retreat towards the old city, defending it against the foreign invaders, quite clearly the tourists and all of Europe coming to Monaco. It was very much in opposition to cosmopolitanism. But it shifted because, you know, no-one wanted to become Monegasque. This older strain of nationalism is not as present anymore, because now it's – well, look at the urban design. It's not this idea of a Provençal agricultural mountain paradise, but a modern, dynamic city-state' (academic researching Monaco).

There were far fewer discussions about tensions in national identity as it related to the built environment in Luxembourg and Geneva than in Monaco, although in the case of Geneva some participants did express concern about the pace and density of newer developments and how this was changing the character of the city.

There appeared to be a strong sense of pride in the economic success and wealth of these cities, or indeed even their very survival given rather turbulent histories involving their much larger, and at times overbearing, neighbours. Participants in Geneva spoke about the high quality of life in the city and its sense of independence from the rest of Switzerland:

'In Geneva you have quality, everything is very high quality. When you work in the international space, Geneva is not comparable to any city in the world, except maybe New York or London' (former politician in Geneva).

This same participant highlighted the sense of independence in the city and what he perceived as the more progressive politics of Geneva, compared to the more conservative culture of the rest of Switzerland. Despite this positive attitude towards Genevan culture, some participants were rather critical of a sense of superiority that they perceive among their fellow citizens. A political culture of consensus towards secrecy and supporting the banking industry was summarised by one economic transparency campaigner with the saying quoted earlier, that 'Switzerland doesn't have

banks, Switzerland is a bank.' Similarly, an investigative journalist in Geneva spoke about how discretion and optimisation have been viewed as part of Swiss culture since at least the 18th century, claiming that in very small countries such as Luxembourg and Singapore this is also the case. However, these attitudes towards an alleged Swiss propensity towards discreet success in business were satirised by an academic during an interview, who said that many businessmen attribute their success to Swiss culture rather than Swiss laws guaranteeing success:

'[Ask a Swiss businessman about success, and] his explanation would be simple: the Swiss are better than the others. They have a Swiss genius. If he is smart, he will say that there are Swiss specificities and a Swiss consensus' (academic in Geneva).

Among Luxembourgish participants, the idea of national success or survival against the odds was less pronounced than in Geneva or Monaco. Instead, many participants expressed pride in the multilingualism and diversity of the country. The politician in Luxembourg City commented on the general lack of concern that most people have with multilingualism and the need to use various languages over the course of a day: French in politics and on official documents, German to read the news, English to interact with service staff in bars and restaurants, and perhaps Luxembourgish at home. Nevertheless, there appeared to be an undercurrent of concerns around immigration, such as from a civil servant, who discussed the rapid change in her neighbourhood since she was a child as creating challenges for working-class Luxembourgers, a real estate developer who stated that more conservative Luxembourgers feel overwhelmed with the scale of migration into the country, and a freeport employee who spoke about the difficulty of using the local language in day-to-day life. Even though none of these participants directly expressed a negative opinion towards the rapid demographic transformation of the country wrought by migration – instead attributing such opinions to other Luxembourgers – the salience of the issue to them appeared to be far greater than in the other two cities. This may

suggest that migration is a more important issue in Luxembourgish politics or that it presents greater challenges to local identity than in the self-assured 'Republic of Geneva', a global city hosting the UN, or on the Rock of Monaco where identity stems, in the words of an urban planner, principally from the fact that one's ancestors were also Monegasque. Several international comparisons were made on the topic of economic success and highly diverse populations, with participants suggesting that other micronations such as Andorra, cities such as Dublin, and the city-state of Singapore share similar experiences of high-performing economies attracting large numbers of foreign workers. The heavy defeat of a referendum on voting rights for non-citizens, and recent legislation promoting the Luxembourgish language, gives the impression that defence of the Luxembourgish identity in the context of migration that has led citizens to nearly be a minority in the entire country, is a key political issue.

As noted above, Monegasque participants did not make a strong case for what their local or civic identity means to them, with instead being born in the city and having ancestors who also came from the city being given as the key ingredients of what it means to be part of the community. It was notable that there were many Monegasque flags, especially in the old town, such as in Image 36, which appeared to suggest a sense of national pride in this district of Monaco. The two urban planners who were interviewed spoke about how being innovative and a forerunner 'is an undeniable fact and part of our territory's DNA', and the French civil servant spoke about how the area between Nice and Monaco has a special character given that it has historically been influenced by both France and Italy, as a borderland between the two that has been fought over. An academic studying Monaco adopted a rather sceptical attitude, claiming that the Monegasque language was 'invented' by the nationalist poet Louis Notari in the 20th century, who wrote down the vernacular form of the Ligurian language spoken in Monaco for the first time and used his connection with the Prince to argue for the language to be taught in the Principality's schools. The researcher also commented on Notari's fascist sympathies, which are allegedly not

addressed in Monaco, and stated that national identity is hard to feel or even create in the context of the city, given that citizens are such a tiny minority of the population.



Image 36: Windows in the old town festooned with Monegasque flags.

This point speaks to a challenge of creating and sustaining identity given the large numbers of non-citizens living and working in all three cities, which in practical terms function as cross-border metropolises in which the border shapes belonging (Sohn and Scott, 2019). Previous chapters highlighted the mechanisms by which non-citizens are locked out of the benefits of the welfare system, lack the ability to vote and participate in processes to decide a common future, and the significant challenges that exist in the process of applying for and acquiring citizenship. Nevertheless, the generally high degree of comfort with such large migrant populations was an unexpected finding, especially when the huge numbers of cross-border workers entering the cities each day are also factored in. It is certainly difficult to imagine this being uncontroversial in a larger European country such as France or the UK, suggesting that attitudes towards migration play out differently in the small state context. Nevertheless, large-scale migration has had clear impacts on national identity and language use, particularly in the Luxembourgish and Monegasque contexts, where it appears that the rapid scale of population change has not been fully digested, and

a more cosmopolitan sense of local identity is yet to emerge. In Geneva, internationalism appeared to be a point of pride for many participants but, given the nationalist orientation and fierce defence of independence that characterises Swiss politics, this may also suggest a potential selection bias among the professional participants.

National pride and identity emerged as a prominent theme in conversations around quality of life and attachment to living in these cities. Crucially, international comparisons were very important in how participants made sense of their identity. The extent to which participants directly criticised other countries was notable, highlighting that national identity in these contexts is formed in opposition to others. For instance, the Luxembourgish civil servant said that the identity of the country is its stability, which attracts businesses, contrasting this with the 'disaster' of unstable countries such as Italy. Italy was also criticised by the art dealer in Monaco, stating that the allure of working in the city is the order, lawfulness and higher salaries than exist in Italy. The Swiss academic described Switzerland as 'a real country... not just a tax haven like the Bahamas', and the former politician in Geneva contrasted the direct democracy and opportunities to be heard with the situation in France, where 'there is no democratic possibility to express yourself... You elect someone and that's it.' Criticisms of other countries could also extend to faraway settings; the Monegasque urban planner stated that 'we mustn't end up like Dubai, with nothing but buildings and concrete. We have to manage to preserve the quality of life that we have today'. A participant in Luxembourg appeared to criticise other countries *en masse*, suggesting a defensive orientation of national pride linked to economic competitiveness:

'Luxembourg has been a victim of its own success. We've been attacked by the OECD as a tax haven. But it's not our responsibility to check if people have paid their taxes due in other countries. That's the fault of the tax authorities in those countries' (politician in Luxembourg).

The extent to which professional actors feel a strong sense of local pride and attachment to place is a phenomenon that has not been explored within the literature on state capture, which instead frames the issue as an alignment of values or economic interests between local actors, external actors and capital, such as those driving demand for the offshore finance industry. The finding that professional actors in these settings support inward investment, flexible regulation and maintaining competitiveness to sustain economic growth, but also continue to feel an emotional attachment to these places for their culture and tradition, therefore introduces a social or personal aspect into the research on how values become aligned in contexts that are identified as being at particular risk of state capture.

7.5 Conclusion

This chapter highlighted a series of ideological implications of the ecosystems and spaces in the three case studies with reference to the framework of luxury state capture, or the capturing of the state's decision-making apparatus by the offshore finance industry and a place-bound community of wealth elites, with this being broadly supported by the local population. The importance of economic competitiveness against perceived rivals and maintaining high levels of growth were stressed by most, which translated into a belief that giving businesses what they want and encouraging self-regulation were crucial to achieving economic prosperity and hence social order. The state in this conceptualisation was thus both a provider of welfare policies and guarantor of economic growth.

Another major thematic area is that participants identified the role of informal networks of actors with a context of regulatory ambiguity, otherwise referred to as the grey zone, in line with risks identified in the literature on state capture and small state studies more generally. Finally, aspects of place-based pride and national identity were discussed by participants and highlight an ongoing attachment to place in these settings, deriving from local history, culture and landscapes. In the face of large-scale

migration into the cities and even larger transient populations of foreign workers that cross the borders each day, a form of oppositional and exclusionary identity was present in some narratives, especially in Monaco where local identity appeared to mean having intergenerational ties to the city-state. As such, the analysis of these ideas suggests an ideological orientation towards a highly liberal approach to migration policy and economic regulation along with a strong attachment to traditional symbols of national identity, with authorities in these settings being entrusted with preserving the privileged political and material positions of citizens in states that are highly dependent upon non-citizens to maintain local economic growth that underpins investment in welfare systems.

8. Conclusion

8.1 Overview

This research explored the local ecosystems, urban spaces and ideological implications of three distinctive offshore financial centres hosting large populations of wealth elites. The rationale for doing so was to understand how state capture is locally manifested, exploring the assumptions about wealth and economic success that underpin the focus on economic growth in these settings, and how this growth was seen as benefiting society. The local impact of inflows of offshore capital is relatively understudied in many examples of offshore financial centres, including Geneva, Luxembourg and Monaco. As stated at the outset, this research was interested in inequality, albeit in atypical settings. Much of the literature on inequality considers places grappling with poverty and a lack of resources; this project instead considered three very wealthy cities operating an economic model that is implicated in global increases in wealth inequality (Piketty, 2014). Global cities such as London and New York have been extensively studied for the ways in which flows of capital into the city transform urban space and society, but smaller financial centres have been less examined, particularly with regards to local impacts.

In-depth qualitative studies of these cases are uncommon, and while a research base on Geneva exists, the literature on Luxembourg is less well developed, and research on Monaco remains poorly developed. The case studies of this research are small yet significant; three tax havens whose economies have what Hesse (2016) refers to as 'borrowed size', through their extractive relationships with the surrounding international region beyond their borders as a source of labour and space to externalise the impacts of housing crises in these cities. Through interviews, photography and field notes on the affective atmospheres of these cases, the project set out to understand three of the world's wealthiest cities from within, peeling back the aura of glamour or secrecy to explore the lived experiences of these places. The

research targeted professional actors as interview participants, whose work is directly linked to regulation, urban development and the economic model of these cities. As such, while this was a study that explored inequality, it focused on those who are professionally and economically successful, in places that are themselves unusually wealthy. To reiterate, the three research questions of this study were:

RQ1: What is distinctive about the local political, economic and social ecosystems of these cities?

RQ2: How are urban spaces impacted by the demands and presence of wealth elites in these cities?

RQ3: What are the ideological implications of these ecosystems and spaces?

Through these research questions and the analysis of research data, findings highlighted the challenges that wealth and wealth elites can bring in three very wealthy cities, noting also the importance of the small state context and the risks of operating offshore financial centres in such settings. These risks include criminality, informality among networks of elite actors operating in a grey zone of regulatory ambiguity, local and cross-border externalities, and issues with the integration or rights of large populations of migrant workers. In the urban realm, impacts uncovered include intensifying density and urban growth in these cities at the same time as a housing crisis that precipitates the involuntary relocation of (predominantly foreign) workers across borders, and exotic forms of urbanism proliferating across the territory of the city, in forms that embody the notions of elite exit and stealth luxury, both of which enable elite secession from society.

This research developed the theoretical framework of luxury state capture in an iterative approach, informed by the literature review and the analysis of data collected

on fieldwork in the cities. Luxury state capture is a novel form of state capture, integrating the notion of stealth luxury from the critical luxury studies literature to highlight the place of large populations of wealth elites within the context of state capture, and how the demand for secrecy and discretion by these wealth elites is met. The literature on state capture has more commonly explored small island settings with relatively fewer wealth elites physically residing there (Hampton and Christensen, 1998, 2002; Sikka, 2003). This research uncovered how the presence of wealth elites and their flows of capital is supported by local populations, being perceived as maintaining economic growth and investment in generous welfare systems, and supporting a narrative of success vis-à-vis rivals and neighbouring states that can generate or sustain national pride and other emotional attachments to place. As such, even those who are not themselves wealth elites help to perpetuate the aura of these places, in line with research on other elite urban spaces (Holmqvist, 2017). Aura is understood here as an atmosphere of secrecy and glamour that is deliberately cultivated to attract wealth elites (Urry, 2014; Roberts, 2020). In these cases, the research contends that the aura is influenced by the notion of stealth luxury, which describes how wealth elites increasingly prefer discreet rather than overt forms of consumption (Lee, 2019). Roberts' (2018, 2020) work on stealth luxury influenced the research approach, noting how wealth elites construct an aura of secrecy that cultivates ignorance about their wealth and status to outsiders.

While originally applied to consumption of luxury goods, the concept of stealth luxury has also been applied to luxury freeports as spaces that conceal their purpose and clientele from outsiders (Roberts, 2020). Other urban forms, such as gated communities and private forms of transport, have been referred to as perforations of the state's territory by Slobodian (2023). These forms cultivate a sense of ignorance about the lifestyles, consumption and mobility of the wealth elites who use these spaces. In line with the framework of luxury stealth capture, the presence and especially any negative impacts of wealth elites in these settings were little understood, even by those in professional positions whose work is directly linked to the provision of goods

and services to wealth elites. Instead, an assumption that to attract wealth elites and their capital was in the best interests of the local population was articulated, with participants emphasising the importance of maintaining competitiveness towards this end. Luxury state capture is informed by debates on new state capitalism, with the state being more interventionist on the one hand, and a blurring of the roles of the state and the market on the other (Whiteside et al., 2023). State intervention to provide both pro-market regulations and welfare provision was perceived as desirable in these settings, with little consideration of how the need for welfare provision, such as to maintain access to affordable housing, was heightened by the state's deliberate regulatory ambiguity that attracts wealth elites and flows of offshore capital (for instance, investment into property) to these settings. The rest of this chapter is broken into three sections. The first provides an overview of the findings of this research, presented in thematic areas as per the empirical chapters. The second presents the contributions of this research in the empirical, theoretical, methodological and policy domains. The third closes the thesis by considering avenues for future research that could build on this work, including by addressing the limitations of the project and by further developing the theoretical framework of luxury state capture.

8.2 Summary of findings

Analysis of the data collected over the course of this project resulted in ten key findings grouped into three thematic areas as summarised in Image 37, each corresponding to one of the three research questions. The first of thematic area concerns the local ecosystems of the case studies: local and cross-border externalities; integration and inequality; issues around transparency, secrecy and decision-making processes; and security perceptions and criminality risks. The second area refers to the urban spaces of the case studies: density and urban growth, spaces of elite exit, and freeports as stealth luxury. The third area includes findings relating to ideas and ideologies:

competitiveness and growth, regulatory ambiguity and confusion, and place-based pride and identity.



Image 37: Summary of findings.

8.2.1 The local ecosystems of luxury state capture

The findings on the local ecosystems of these cities uncovered a series of negative local and cross-border externalities, including high housing costs, perceptions of gridlocked transport infrastructure and concerns around environmental impacts. The role of the nearby border to the economy of these places was vital, with these borders being selectively permeable in that they are open to inflows of capital, assets, wealthy

residents and labour, but structure a distinction between a place of work and place of residency for hundreds of thousands of people, primarily foreign workers on lower incomes, which effectively hinders their integration, potential citizenship and access to welfare provisions in the country where they work. Participants reported a ripple effect of housing unaffordability as local populations in border areas are displaced by the influx of workers commuting into the neighbouring city across the border. Paradoxically, despite acute shortages of housing for foreign workers, within all three cities there were visible examples of vacant homes and apartment buildings that appear to be held primarily as investments or to fulfil residency requirements for tax benefits, with the shuttered windows of Monaco, near-empty streets of Geneva's old town and windswept emptiness on Luxembourg's Kirchberg plateau demonstrating characteristics aligned with Atkinson's (2019) concept of necroarchitecture.

Another key characteristic related specifically to the small state context. Across all three, participants frequently shared words to the effect of 'everyone knows everyone'. Given the smaller networks of professionals than exist in larger state contexts, interviewees spoke about how it was possible to contact decision-makers, and how those working or even competing in some sectors collaborate with each other. As such, interpersonal trust within these informal networks was seen as key, with those bringing critical attention and scrutiny to the network being quickly rejected. This accords with other findings in the small state context (Palan et al., 2010). Such networks of personal relationships create potential vulnerabilities to lobbying and a lack of transparency, and studies have shown that the small state context is highly vulnerable to inappropriately close connections between regulators and market actors, driven by personal relationships and shared values (Hampton and Christensen, 1998; 2002). Participants suggested this was the case. For instance, in Geneva several spoke about banking and legal lobbies that push to maintain secrecy, including through electing supporters to government and funding referendum campaigns. In Luxembourg, the case of construction firms being charged with forming a cartel to limit housing development was discussed, as was the case of a developer being

granted planning permission in an informal manner through social connections. These networks of professionals appeared to present criminality risks, such as the smuggling of 'dirty gold' through luxury freeports. The federal customs officer in Switzerland described this as a major challenge, given the impossibility of regulating interpersonal relationships that are key in spaces such as luxury freeports and the markets operating using them.

Secrecy is an important feature of the ecosystem of these cases, as shown by legal provisions to minimise scrutiny as well as how frequently participants in the interviews spoke about this issue. Secrecy and discretion were linked to the notion of a grey zone that was an especially important theme in Geneva, such as in conversations about how Swiss banks and law firms have become specialists in operating within the margins of the law, where legislation is unclear or ambiguous. In particular, the art market and luxury freeports were talked about as examples of businesses in the grey zone, with legal constructions such as shell companies protecting the identities of beneficial owners of assets stored within these facilities. This creates potential vulnerabilities to money laundering, sanctions evasion and even terrorist financing. Despite these risks arising from a culture of secrecy and regulatory ambiguity, participants simultaneously reported feeling that a major attraction of the three cities is their perception of safety and stability. However, the security reputation discussed by the participants largely referred to crimes on the street, such as theft and being attacked; on the other hand, participants were able to share multiple examples of what may potentially be white collar crime. One reason for this may be that a lack of transparency means there is a shortage of data and reporting about white-collar of criminality, or that it is perceived as presenting less of an immediate risk to individual safety than street criminality. As a transparency campaigner in Geneva stated, claims of money laundering and bribery taking place using assets held within the city's luxury freeport are hard to substantiate, owing to a lack of information on the beneficial ownership of shell companies registered as the owners of the assets, along with issues of how litigious wealthy individuals accused of crimes may be.

Overall, it was striking how little awareness the professional interviewees had about the presence and impact of wealth elites in their city. For instance, questions about inequality almost exclusively generated responses about citizenship, and how migrant workers living in the city or foreign workers commuting into the city face inequalities on this basis. Participants had only a hazy awareness of the presence of populations of wealth elites, which accords with the notion of stealth luxury whereby the presence and consumption of these elites is secretive – or perhaps hidden in plain sight, given the spatial impacts of wealth elites and their capital that are discussed below.

8.2.5 The urban spaces of luxury state capture

When speaking about the changes observed in their cities, it was notable that participants most frequently referred to challenges in accessing affordable housing, alongside a perception of increasing density of development. This was apparent on the site visits, with ongoing construction and reconstruction visible across the three cities. Participants expressed concerns about the environmental effects of intensifying development, such as overwhelmed transport infrastructure and the loss of nature. There was a perception among many participants that densification and urban growth were threats to the traditional character and culture of these cities. However, these perceptions did not appear to be linked to an awareness of the processes driving the demand for property as an asset in which to invest. The evidence of urban transformation wrought by capital was abundant in these cities, yet multiple participants appeared to link this to another form of demand, that of migrant workers seeking accommodation in the city.

A prominent finding when reflecting on the affective atmospheres throughout the three cities was a pervading sense of unreality. This derived from the perfectly manicured green spaces, the lack of graffiti or dirt, the clear delineation of private elite spaces with fences and other forms of defensive design, and the range of businesses

hosted in the cities, such as in Monaco where it was difficult to find a bakery, but expensive salons, boutiques and gourmet restaurants abounded. The verticality of Monaco and its subterranean urban development was highly evocative of discussions around volumetric urbanism in the literature (Graham, 2016). Escalators and elevators throughout the city led down to subterranean shopping malls, adding to a feeling of unreality. In Luxembourg, unreality instead came in the lack of movement or noise throughout much of the city, with slow-moving rivers and trees creating a feeling of being in a model village. At the other extreme, Luxembourg's Kirchberg plateau, comprising plate glass and concrete office blocks, wide roads and pavements, and very little street life, presented an environment that again felt unreal through the lack of people or movement in the area. A lack of street life and silence also characterised the historic centre of Geneva, although much of the rest of the city was bustling and less unreal feeling than its old town. Beyond perfectly preserved historic centres, the three cities had numerous ongoing modernist urban development projects, with increased heights and depths creating more space (with greater volume) for commercial exploitation.

A series of what Slobodian (2023) refers to as perforations, or spaces of elite exit from obligations such as regulation and taxation, were identified as physical manifestations of strategies around growth, investment and elite exit in the case studies. These spaces were grouped into residential exits such as gated communities and guarded compounds, portal spaces such as Monaco Heliport, and necroarchitecture (Atkinson, 2018), or residential buildings given over to investment purposes that have a necrosing effect on the surrounding environment. The analysis on spaces of elite exit also drew from work that proposed a typology of libertecture, or right-libertarian architecture (Atkinson and O'Farrell, 2024), building on this approach through including the planetary modifications that are taking place in Monaco as the city hollows out the mountainside and raises new districts from the sea to enhance the land area available for exploitation. The proliferation of such spaces of elite exit highlights how economic imperatives towards the enhancement, storage and defence

of wealth can lead to dramatic changes in the urban environment. Through using photographs taken on site visits, the effects that these spaces of elite exit have upon the city were discussed, supported by narratives from participants and reflections on the affective atmospheres in and around these spaces. The spaces of elite exit were shown to be interwoven into the existing urban fabric – in the case of Monaco Freeport, for example, with the facility discreetly occupied several floors of an existing building.

Luxury freeports were highlighted as an important spatial manifestation of luxury state capture's prioritisation of the demands of wealth elites and their capital in a manner that is secretive or concealed from outsiders. The concept of the luxury freeport drew from Helgadóttir's (2019) work on these facilities and was also informed by research on the risks of these facilities, including money laundering, smuggling of counterfeited products, terrorist financing, and tax and sanctions evasion (Korver, 2018). The research applied Roberts' (2020) concept of stealth luxury to describe how luxury freeports and other forms of elite spaces of exit physically manifest the power relations and secessionary tendencies of the wealth elites who can access the facilities, compared to those on the outside who are deliberately made ignorant about their practices through secrecy embedded in their design and purpose. Furthermore, site visits in and around the luxury freeports revealed defensive or hostile design features, including barbed wire fences, banks of CCTV cameras, security posts staffed by guards with dogs, and spatial layouts that are hard to access or navigate as a pedestrian. Even for those driving past these sites, it is difficult to understand the function of the buildings. These buildings are thus both present and invisible, inscrutable and difficult to physically approach. These defensive features extend to the bunker-like qualities of these buildings, with participants referencing blast-proof rooms, climate-controlled interiors, security teams and subterranean storage spaces. In short, aligning once again with the theoretical framework of luxury state capture, a deliberate ignorance on the part of the viewer is cultivated from exterior of the facilities, while the research found that those working in the facilities rely on informal networks of contacts, which as the

Swiss federal customs officer reported makes freeports difficult to regulate or fully understand for outsiders.

The urban spaces examined in this project support the engagement with critical luxury studies and reflection on how wealth elites consume luxury. Luxuriousness does not just refer to the craftsmanship, materials or experience of objects, but rather the power relations represented in an object and its consumption (Roberts, 2018). As Robert's (2020) research on stealth luxury highlights, those with the wealth and *savoir-faire* to consume stealth luxury make a statement on their belonging to an in-group that positions itself as possessing knowledge and values about quality and luxury that those in the out-group do not. Secrecy and luxury are thus intricately linked concepts that are both desired among wealth elites, including those who make use of freeports to conceal wealth and easily move valuable assets across borders, avoiding taxes in the purchase and sale of these assets. This notion of stealth luxury can be applied to other forms of elite spaces of exit that were abundant in the three cities beyond the luxury freeports, such as gated communities, portal spaces or private forms of transport infrastructure, necrotecture, and planetary modifications to physically transform the territory of the state. Such spatial forms manifest a form of stealth luxury that privileges the wealthy insider vis-à-vis the outsider, providing greater secrecy, discretion and the avoidance of scrutiny to wealth elites who own or use these spaces.

8.2.8 The ideological implications of luxury state capture

Across the three cities, participants reported a common theme of opportunistic policymaking, particularly with regards to economic development whereby the cities experiment with different sectors and regulation regimes to enhance competitiveness and thus increase economic growth. Participants also regularly made comparisons with what are perceived as rival cities, most prominently Singapore but also London and New York, viewing such competition as encouraging the need for strategies to broaden the appeal of these cases as locations for investment, thereby necessitating

the formulation of regulation that is most attractive to wealth elites and businesses. This was most directly evidence in the words of a Luxembourgish politician, who stated that competitiveness means 'finding out what financial actors need and want and then giving it to them.' It was notable how little reflection on any negative consequences of economic growth there was in Monaco, which is the world's richest state on a per capita basis. In Luxembourg and Geneva the majority again saw growth as uncontroversial and desirable, although several participants voiced concerns about the side effects of economic growth.

Another key feature of the ideological currents circulating in these case studies was a commitment to secrecy, and a culture of deliberate regulatory ambiguity or confusion around responsibilities for enforcing regulation in a grey zone created by the state. While ambiguity has been well-documented in studies of the offshore finance industry, the key facility identified in this research was the luxury freeport. Within this context of regulatory ambiguity, participants identified a form of elite informality, reporting how social networks of market actors and regulators are crucial in how decisions are made. In addition, participants gave examples of how connections between private actors and those in influential positions in the state are vital for doing business, whether this means joining groups to meet members of the Monegasque royal family, having personal contacts within municipalities in Luxembourg to build developments that bypass the planning code, or the web of social connections between art dealers, financiers and regulators that the Swiss customs officer described with regards to Geneva Freeport. Within the context of highly specialised sectors such as the luxury freeport, especially hosted within small states, it appears that oversight becomes (or is made) especially difficult, particularly when considered as part of a commitment to secrecy that characterises these cities.

The interview participants largely perceived growth as an inherent good, linked by some to sustaining the generous welfare provision in the three cases. At the same time it was notable that, despite advocating limited regulation, low taxation and

prioritising the interests of businesses, participants continued to see state intervention as vital. It appeared that participants in this research viewed defence of their wellbeing as best served by fulfilling the needs of businesses and financial actors. However, participants also reported a strong sense of attachment to these places – not only for economic reasons, but also for factors of personal identity and pride in local history, culture, landscapes and architecture. An additional point of pride for those who lived in the cities was their small and liveable size and perception of safety. In all three, citizens often spoke about national pride and identity in terms of comparisons to neighbours: Monaco in the face of an overbearing France, Luxembourg given its turbulent history of attempts at annexation by France, Germany and the Netherlands, and Geneva in its history as an independent city-state, centre of philosophy and the Reformation, and at times fractious relationship with German-speaking Switzerland. Local identity and pride are important in highlighting that the people living in these places feel a connection to their communities and urban spaces. These are not cities that are totally given over to transactional relationships or the needs of capital, but communities that continue to evoke feelings of connectedness and belonging.

Returning once more to the theoretical framework of luxury state capture, the findings of this third thematic area confirm and advance the existing literature on state capture. This research demonstrates how local actors associate their own interests, and those of the state, with attracting flows of capital and meeting the demand for services from wealth elites. It also finds the deliberate production of a grey zone through regulations seeking to guarantee secrecy, the evasion of scrutiny and self-regulation. However, the findings around place-based pride and identity suggest the need for a more nuanced approach towards researching the reasons for local support for policies enacted within a context of state capture, beyond reference to an overreliance on sectors perceived as economically successful or how democracy can make state capture more palatable to the population (Sikka, 2003). Economic success and a high quality of life were perceived as sources of local pride by participants, alongside traditional sources of identity. This merits further exploration in a qualitative approach,

given that any coordinated international effort on the offshore finance industry and flows of capital into tax havens by wealth elites would also need the support of local actors and populations in settings such as these three case studies.

8.3 Contributions

8.3.1 Empirical contributions

The first empirical contribution of this research is to advance the literature on state capture using a qualitative approach, considering how professional actors perceive the local ecosystems they live and work in as well as observing the spatial transformations caused by the presence of large populations of wealth elites and their capital. While the three cases of this project have been noted in the literature on state capture (for example in Murphy, 2009), an empirical contribution of this research is to build the evidence base on these cases and consider them in a comparative approach. This highlights how there are common characteristics in the local ecosystems and transformations of urban space taking place in these three offshore financial centres, but also variations which demonstrate the value of including additional case studies in such studies in the future, potentially suggesting a typology of offshore financial centres through assessing local impacts.

The political economy of these cases was characterised by narratives around a flexible state, adapting in how it regulates the economy to attract investment and achieve economic growth, with participants also arguing in favour of an active state to maintain security, uphold corporate secrecy and defend the interests of citizens through intervening in markets, particularly regarding access to housing. As such, the role of the state is vital; even where the state is less present through reducing regulations, participants continued to look to the state as a guarantor of the conditions for growth. Such findings can be understood in the tradition of literature on state

capture, which Hampton and Christensen (1998, 2002) explored in relation to Jersey. Some have highlighted how captured states are those that become overly dependent on sectors perceived as successful, such as the finance industry, and there emerges an association between the interests of those sectors and the state and its decision-makers (Palan et al., 2010; Shaxson, 2011). Sikka (2003) described how local populations make this association, with political parties and voters supporting policy agendas that are supportive of offshore finance in tax havens. Therefore, the empirical contribution of this project is to advance the literature on state capture, introducing in-depth qualitative work among decision-makers and professionals in three contexts.

The role of the border was a crucial empirical contribution of this research. Political economy research has often overlooked cross-border externalities, such as those relating to workers and housing. Indeed, it is only in the past two decades that the role of borders has become more prominent in the literature, such as in studies on innovation and economic development in cross-border regions (Tripl, 2006; 2010). The analysis for this project uncovered a series of externalities at the local and international level relating to housing, infrastructure and the use of the territory beyond the border as a space to house foreign workers, precipitating urban development beyond the state's boundaries. The role of borders in the state capture literature has not yet been explored, given that many of the case studies are small islands such as Jersey, or tax havens in the Caribbean, again with no land borders. Hesse (2016) noted how the use of border regions of other countries allows Luxembourg to have a 'borrowed size' that enhances its economic growth. This research confirmed the concept of borrowed size in the cases of Monaco and Geneva, but also suggested that borrowed size may come at a cost to the neighbouring state that is being borrowed from.

A structural inequality was uncovered by which foreign workers are compelled to commute from across the nearby border. These borders are selectively permeable, permitting inflows of capital, assets, labour and wealth elites, while also demarcating

a separation between a place of work and place of residence, particularly for foreign workers on lower incomes. Existing literature established the 'ghost' of the border in Geneva as having this effect in structuring local identity, particularly among those on lower incomes (Sohn and Scott, 2019). This project extends this concept to the cases of the borders of Luxembourg and Monaco. Participants spoke about cross-border commuters and development taking place across the border to accommodate the city's workforce, but few appeared to consider the social justice implications of foreign workers being unable to acquire residency, and hence subsequently apply for citizenship. Indeed, there were many participants – particularly in Monaco – who appeared to support restrictions on residency and citizenship, which were seen as necessary to protect the welfare system. There are also democratic implications, as participants spoke about how issues impacting foreign and migrant workers are not represented in local politics as there are no votes to be gained on these issues.

A further empirical contribution of this research is how the interviews revealed a set of shared ideas circulating among professional actors in these settings, with a focus on maintaining competitiveness, economic growth and pro-business regulations alongside an active state investing in welfare systems and infrastructure. Beyond this, the research also found a degree of informality, with social networks and interpersonal connections among elite actors seen as important fora for decision-making. The findings therefore provide qualitative evidence to support claims in the literature around the lack of transparency in the setting of small state offshore finance centres, as well as Donaghy's (2002) work on the set of shared values and 'common sense' that circulate in elite and professional networks. Another empirical contribution relates to the notion of a grey zone in which regulation is unclear or ambiguous, akin to Murphy's (2009) framing of offshore as an 'unregulated ether' that floats between regulations. Analysis of interview data confirmed the concept of this zone of ambiguous regulation, with participants also raising examples of criminality risks within that space.

A final empirical contribution relates to right-libertarianism, or rather its absence among the interview participants. While the ideology of right-libertarianism was introduced in relation to urban transformations, given how residential exits and freeport facilities align with Slobodian's (2023) research on urbanism influenced by right-libertarianism, the interviews with professional actors did not find direct evidence of right-libertarian ideas circulating in these spaces. Given that we know right-libertarianism is increasingly circulating among wealth elites and is linked to phenomena such as offshore finance and luxury freeports (Slobodian, 2023; Atkinson and O'Farrell, 2024), at the outset of this research I expected that the professional actors in these settings may have shared these ideas, considering it 'common sense' to shrink the role of the state, privatise services, and deregulate and reduce oversight of businesses. Instead, participants were virtually all supportive of an enhanced role for the state and its provision of welfare, with many articulating a desire for more state intervention, such as in housing markets. An academic researching Luxembourg described the state as therefore practicing a kind of socialist capitalism. This model was not seen as a contradictory by participants in the three case studies, and it appeared that state intervention granted legitimacy and support to governments in these cases. As such, this suggests a potentially novel form of new state capitalism specific to the context of small state offshore financial centre, whereby the state is a prominent actor in maintaining growth, attracting wealth elites and shielding local citizens from the negative consequences this has, particularly upon access to housing.

8.3.2 Theoretical contributions

The theoretical framework of luxury state capture that was developed in this research is its principal theoretical contribution. This concept builds on the concept of state capture from the political economy literature by integrating the notion of stealth luxury from critical luxury studies. Alongside applying the theoretical framework to analysis of the local ecosystems, or institutional containers as per Shankar Jha (2006), and to

the ideas and ideologies circulating within these contexts, the theoretical framework was also applied to the findings around urban space, highlighting the role of stealth luxury in the design and construction of a series of spaces of elite exit that perforate the urban fabric of these cities. The theoretical framework introduces subjectivity and individuals' perceptions into the research on state capture, furthering our understanding of how state capture is understood and supported by the population in the setting of a small state offshore financial centre.

The theoretical framework of luxury state capture contributes to several strands of literature, helping to build our understanding of how large populations of wealth elites and inflows of offshore capital are spatially and socially manifested in the urban context of small state secrecy jurisdictions. Crucially, the project does this through a comparative study of three relatively overlooked cases, all of which are located in Western Europe, a region that has otherwise been intensively researched. While major financial centres such as London, New York, Hong Kong and Singapore have been studied in detail, the literature review conducted for this project found that smaller offshore financial centres such as Monaco, Luxembourg and Geneva have received relatively less scholarly attention, particularly in a comparative approach. The project therefore adds to the political economy scholarship on three cities – all of which have been included on lists of tax havens – by providing evidence on local impacts that have generally been overlooked, with researchers typically focusing instead on the wider impacts that offshore finance industries of these cases have within the architecture of global finance.

A key contribution of this project is the use of qualitative data to demonstrate how local professionals relate to the economic and political conditions existing in these cities as a result of their growth models. This research also contributes to the academic and activist literature on the notion of state capture, exploring the implications it has for those living and working in these settings. Another important contribution relates to the cross-border externalities of the economic strategies pursued in these cities,

which remain virtually unexplored by scholars and suggest the need for additional research to better understand the social, political, economic and urban impacts that European tax havens have upon their neighbours. The semi-permeable nature of the international border within Europe's Schengen Area, and how it functions to facilitate inflows of capital and assets, define a space of regulations guaranteeing secrecy and reduced taxation, but also control access to citizenship and generous welfare systems for migrant workers, is of particularly great relevance to the political science and border studies literature. Linked to this, a contribution to the sociology literature by the project comes in how professionals working in these settings relate to ideas of place-based pride and identity, and indeed how the concept of identity can be sustained in contexts where citizens are a minority of the population.

The theoretical framework of luxury state capture accords with claims made in the scholarly and activist literature about the vulnerabilities to lobbying in small state settings. This research provides in-depth qualitative evidence on perceptions among local professionals of how ambiguous regulation creates opportunities for business in the 'grey zone', and how informal elite networks with limited transparency impact decision-making in these settings. A final set of contributions of this work is to the urban studies literature, charting how inflows of offshore wealth and wealth elites strongly impact urban planning, design and development in these three cities, with the constraints of limited geographical space resulting in high levels of urban density and growth. Moreover, the commitment to facilitating inflows of offshore capital seeking secrecy and low taxation, and providing services to place-based communities of wealth elites who increasingly demand stealth, defence and secrecy, results in an urbanism characterised by spaces of elite exit that perforate the urban territory of these cities. In summary, luxury state capture has the potential to advance how researchers study cases such as these, suggesting the need for greater focus on the local effects of the offshore finance industry in small state settings, and provides a starting point for further research into how the effects of large inflows of wealth and the presence of wealth elites is socially and spatially manifested.

8.3.3 Methodological contributions

This research confirmed the value of the snowball sampling approach to participant sampling, which has already been well-established in the literature (Marcus et al., 2016). Alongside interviewing, the project used photography and field notes on affective atmospheres as forms of research data. Such methods were chosen given that this was a qualitative project, in line with studies such as Egremont's (2011) research on historical memory using these methods in the Russian exclave of Kaliningrad, as well as how urban studies scholars such as Soules (2021) and Atkinson (2020) use photography to capture data illuminating the urban phenomena they describe.

The value of these forms of qualitative data is that they help to make sense of the experience of moving through these spaces, connecting theories such as state capture, which can be abstract, to spatial manifestations and the sensations of interacting with the spaces that are produced. Data on affective atmospheres especially is vital in making the space an active subject of research, rather than a container or backdrop against which research takes place. The use of methods such as photography supported the research aims of understanding the subjective experiences of space (Pink, 2007). Incorporating data drawn from photography and notes on affective atmospheres, alongside narratives uncovered in the analysis of interviews, contributes towards demonstrating the kinds of methodological approaches that are available when studying wealth and concepts such as state capture. In particular, the methods chosen were adapted to a topic where little quantitative data exists, highlighting how qualitative approaches can be valuable when studying wealth elites and offshore, particularly the local impacts of these phenomena.

8.3.4 Policy contributions

An important finding of this work related to the position of large workforces of foreign workers, hundreds of thousands of whom are forced out of necessity to commute from across a nearby border to work. There are social justice implications for workers, especially those on lower incomes, who are unable to meet the residency requirements to subsequently apply for citizenship and thus become legally equal in the places where they work, which in any case is a complex process in all three cases as demonstrated in the analysis of relevant legislation. Advocates for foreign workers' rights could use these findings as the starting point for further research or actions on the phenomenon of cross-border workers, and the implications this has not only for acquiring residency and applying for citizenship status, but also in terms of access to welfare systems and equal rights at work. In addition, the inability of these three cities to house their large workforces pushes development pressures across the border, precipitating the development of housing and infrastructure in neighbouring countries. Policymakers could build on this by investigating the dynamics of cross-border population flows and weighing up the pros and cons, not only in terms of local spending and tax revenue but also the impacts on local housing markets and the environmental consequences of large numbers of people commuting, as well as considering how to manage the democratic implications of this movement.

A final set of findings that may be relevant for the policy domain is that relating to the luxury freeports in these three cities. Participants reported risks around criminality linked to these facilities, as well as a general lack of clarity or understanding of their operations, particularly among the urban planners and politicians who were interviewed. The account of the federal customs official in Switzerland suggested that customs agents may be uncertain about their competencies with regards to the facilities, and with too few staff to check goods entering and exiting the freeport, agents were reported as conducting random checks but trusting known operators with whom they have personal relationships. As such, work to raise greater awareness of these facilities, both among policy actors but also the public, would be a crucial step

towards putting these facilities under greater scrutiny, especially given that a lack of awareness about their function was widespread in the case studies.

Furthermore, the importance of informal networks between operators and customs officials appears to be an area where campaigners may seek to problematise the gap between regulation and enforcement with regards to these facilities, using the cases discussed by participants in this research as potential starting points for campaigns. It should be reiterated that gathering information on these facilities was very difficult, with a reluctance to engage with the research or permit access, particularly from Geneva Freeport. There are thus limitations around the findings which make it difficult to conclusively state a range of impacts that these facilities have upon the cities that host them. However, this is itself a striking finding: the secretiveness of luxury freeports was confirmed by how difficult it was to gather even basic information on them.

8.4 Avenues for future research

There are many potential directions for future work to build upon the findings of this research, which could also address several limitations of this project. The process of planning and carrying out a project such as a PhD invariably encounters challenges, or actions that would be done differently a second time around. This was particularly the case for this project, which was planned during the COVID-19 pandemic that influenced the case study selection and risk assessment processes.

To begin with, additional international case studies could be a fruitful avenue of research. For example, a city-state such as Singapore would have been valuable, given that the literature and participants in the three cities frequently made reference to Singapore as a peer and competitor. Comparative research between Monaco and other micronations hosting offshore financial centres, such as Liechtenstein, San Marino and Andorra, could be valuable to understand whether there is a specific

micronation model of luxury state capture, given that where the analysis noted distinctions between the three case studies, these frequently related to Monaco. Expanding the research to other cases could help to determine whether there is a typology of how hosting an offshore financial centre in the small state context impacts upon the local ecosystem and urban development.

The fieldwork visits for this research were short, spending just five days in each city. This was driven by funding constraints; there was an extremely limited fieldwork budget when considering that the three cities are some of the most expensive in the world, where hotel, food and travel costs are substantial. This resulted in limited time to gather photographs and data on affective atmospheres, but it also limited the opportunity to conduct in-person interviews and attend events in the cities that could have yielded additional information or interviewees. In addition, the research design envisaged site visits to three luxury freeports, but I was only able to visit one, in Monaco. A visit to Luxembourg Freeport was planned but had to be rescheduled, and owing to funding restraints I was unable to return. Visits to the facilities could have helped to better understand the design of luxury freeports, particularly their interiors, and their infrastructural connections and the kinds of defensive design incorporated into these buildings. Longer research stays in the three cities could help to further develop the understanding of the affective atmospheres of these places and the role of informal networks of elite actors in each.

There are several groups of participants who could have been included in this research to develop a richer analysis of the impacts of luxury state capture. The research was planned to include at least one trade union representative in each city to understand issues with regards to workers' rights. However, despite repeated attempts, no responses were forthcoming from the unions that were contacted. Including this group would be valuable for understanding attitudes around workers' rights and potential issues with the exploitation of foreign workers. The project did not consider whether there are local associations for the rights of foreign workers or

migrants who might have been contacted, who likewise could have provided insights on issues specifically impacting these groups. Greater consideration of how to incentivise participation in interviews would also be valuable for future projects, given that the sample of participants in interviews made extensive use of snowball sampling, which could have led to issues around bias if participants recommended other potential participants with similar views or values. A recommendation received by other researchers who conduct research with elites and professional actors, which may be useful for those building on this project in the future, is to incentivise participation through informing potential interviewees that a donation to a charity will be made on their behalf should they participate.

There are two additional issues with the sampling of participants which future research might address to better develop understanding of luxury state capture in these contexts. The first, and most important, is that the project neglected to sample those in the finance industry. Given that finance is such a crucial part of the economy of these case studies, even a small number of participants from the industry would have been useful, particularly given that the three cities are often referred to as offshore finance centres and as tax havens. The inclusion of those working in finance would be valuable for better understanding the economies of these case studies, and may potentially have yielded different results with regards to support for state intervention in markets. The second is that the focus on those in professional roles meant that the large populations of cross-border workers and migrant workers living in these cities who work in service or manual roles were not included in the project. Contrasting the attitudes of those in elite professional roles with those in service roles, such as hospitality and cleaning, would be valuable to understand the extent to which shared ideas and values are circulating in these spaces, or whether such ideas are limited to those in well-paying professional positions.

Finally, future research could seek to generate quantitative data, given the shortage of such data on these issues. This could include mapping the number of

spaces of elite exit over time in these cities to quantify this phenomenon – the number of gated communities or compounds of luxury apartment blocks, for instance. Such an approach could be valuable as a way of gathering additional evidence on the pace of urban transformation in these cities. Research on passenger flows through portal spaces, or private forms of transport infrastructure, could also be useful to produce figures on the movements of wealth elites in these three cities. This would make it possible to identify the times of year when most wealth elites are in the cities and also calculate the environmental costs of their presence in terms of carbon emissions. Flight data from Monaco Heliport and the private jet hangars at the Nice, Geneva and Luxembourg airports could be a source of data towards this end. The findings on cross-border workers could also be enriched through gathering quantitative data, mapping where they commute from to better understand the environmental impacts of this daily flow of large numbers of workers across borders. Further research could also quantify the impacts of cross-border workers through calculating the cost of the development that is stimulated in the border regions of neighbouring countries, relative to the economic value that cross-border workers represent to the communities where they live, such as through tax contributions or the value of their consumption. In addition, quantitative work could estimate the value of these cross-border flows of workers to the target city, such as the average value of the labour that these workers represent in terms of taxation, highlighting the contribution that cross-border foreign workers make to local welfare systems that they are unable to access. Data on commutes could also help to calculate the carbon emissions of cross-border workers.

These proposed avenues for future research could build upon the findings of this project and in doing so advance the theoretical framework of luxury state capture, adding to our understanding of the local ecosystems, urban transformations and ideological implications of hosting an offshore financial centre and large populations of wealth elites in the small state context. Doing so would help introduce more studies of wealthy places and wealth elites into the literature on inequality, which at present remains heavily skewed towards studies of poverty and marginalisation (Kerr, 2021).

Moreover, such research could shed further light onto cities that play a crucial role in the global financial architecture through facilitating the evasion of taxation and scrutiny by wealth elites. Such research is vital given that it can help to build the knowledge base on offshore finance, one of the root causes of increasing wealth inequality across the globe that has such socially and politically destabilising effects.

Appendices

Appendix one: interview guides

Several interview guides were prepared for this project, with questions targeted towards the specialism of the participant. The guide was written in both English and French, depending on the language that was agreed for the interview. The interview guide was not prescriptive; follow-up questions were asked depending on the responses to each question.

Interview guides: English versions

Thank you for your time today, I am very grateful!

As I said in my email, I am a researcher at the University of Sheffield in the UK. I am currently working on a project concerning issues in urban planning and economic development. Geneva/Monaco/Luxembourg is one of my case studies.

Do you mind if I record the conversation to help me, since it's difficult for me to take notes at the same time? This is confidential and I will delete it after writing it up (if no: do not record).

So, to start, can you tell me a little about your work?

For those working in economic development

1. What do you think are the most important issues facing society in your city?
2. What do you think is the political direction of the country?
What do you think are the priorities of the country's leaders?

(e.g. attracting investment, becoming more sustainable, reducing inequality)

3. Who are the most influential groups or companies with the most weight in the country?

(For example, lobbyists for a particular industry)

4. What is the importance of the financial sector in [Swiss/Monegasque/Luxembourg] society?

5. [In Switzerland: what is the regulatory power of the cantons compared to the federal government?]

(For example, regulation of the financial sector)

6. What is the influence of foreign pressure (for example, from the European Union) on [Swiss/Monegasque/Luxembourgish] politics?

7. This country is known as being associated with the luxury sectors: art, fashion, finance and wealth in general. Does this international reputation have an impact on daily life?

8. Geneva/Monaco/Luxembourg is also the site of one of the largest free ports in Europe. These are facilities intended for the storage and trading of works of art. Do you know of its existence?

(If so – can you tell me a little more? Researchers suggest that there is a link

between the offshore financial industry and the offshore art market in freeports.

If no – I understand, thanks)

9. How does the free port work? Have the regulations changed, for example in the last ten years?

10. My last question is a little more creative. What do you hope this country will look like in twenty years?

For the regulators and politicians

1. How would you describe [Genevan/Monegasque/Luxembourgish] identity?

2. What is the importance of the prince and the royal family in [Monegasque/Luxembourgish] politics?

3. What are the challenges facing [Geneva/Monaco/Luxembourg] today?
(For example, sustainability or access to affordable housing)

4. Local [Genevan/Monegasques/Luxembourgers] represent a minority of the population. Does this mean that politics, society and culture are totally oriented towards the opinions of those who move to the city?

5. Are there programs to help local [Genevans/Monegasques/Luxembourgers], for example to access affordable housing?
6. [In Monaco: The Mareterra project will expand the city. Are there any further expansion plans? Or other major projects?
In Geneva and Luxembourg: what are the major projects currently underway?]
7. Are there any projects to make [Geneva/Monaco/Luxembourg] more environmentally sustainable?
8. Are you familiar with the freeport facility? If so, what do you know about it?
9. The architectural style of the city is quite interesting. The old town has retained some traditional architecture, but throughout the rest of the town there is a lot of modern development. What are the attitudes towards the preservation of architectural heritage?
10. How do you imagine [Geneva/Monaco/Luxembourg] in the future, for example in fifty years?

For the freeport representatives

1. Can you tell me a little about your organisation and the work it does?

2. I was wondering if you could tell me the specific laws and regulations that apply to freeports?
3. Do you know if research has been done on the economic impacts of freeports?
(For example, their contribution to growth, employment or national GDP)
4. The freeport has clients such as gallery owners, art dealers, auction houses and jewellers. Do you know if most of the activity is local or international?
5. What is the size of the facility?
Is it possible to estimate the value of items held at the facility?
6. Has the pandemic had a significant impact on the business?
7. Do you see growth in demand today?
8. Does the government support the growth of the art market in the country?
9. Have you seen growth in the art market in [Geneva/Monaco/Luxembourg] during your work at the freeport?
10. [In Luxembourg: Why did the company change its name?]

For the urban planners

1. Can you tell me about the main urban planning issues that arise here?
2. What are the main urban interventions or major projects in progress?
(For example in terms of housing, transport, environment or economic development)
3. What do you think is the political direction of the city?
What do you think are the priorities of city leaders?
(E.g. attracting investment, becoming more sustainable, reducing inequality)
4. [Geneva/Monaco/Luxembourg] is a very rich place. How does this wealth affect the city?
(For example, accessibility to housing)
5. Is there a lot of inequality in the city?
6. This city is famous for being associated with luxury industries. By this I mean the art industry, auction houses, jewellers, fashion houses and so on. Does this have an influence on daily life in the city?
7. The financial sector is also well known here. Do you think this sector is influential, for example in politics?

8. [Geneva/Monaco/Luxembourg] is also the site of one of the largest free ports in Europe. These are facilities intended for the storage and trade of works of art. Do you know of its existence?

(If yes – can you tell me a little more? For example, what is the function of this facility? Is it useful for creating new jobs or economic growth? If no – I understand, thank you)

9. My last question is a little more creative. What do you hope this city will look like in twenty years?

For the architects

1. Can you tell me about your job and the organization you work for?
2. I am interested in the design of the freeport of [Geneva/Monaco/Luxembourg]. How was this design arrived at?
3. How does the architect design the building of a freeport? What special considerations were there?
4. How would you describe the architectural style of the freeport?
5. Does it reference a local architectural style?

6. What are the specific challenges associated with the design of a building such as the freeport? Considering for instance the great value of the objects stored there.
7. I see on your website that you were also involved in the design of the other freeports. Was the building design subject to similar approaches?
8. Do you know if the company will work on other freeport projects in the future?

For the art dealers, diamond dealers and auctioneers

1. Can you tell me about your job and the organisation you work for?
2. [Geneva/Monaco/Luxembourg] is associated with luxury industries, including diamonds, jewellery and art. I'd like to know more about your experiences in the industry.
(For example, how is the [diamond/art] industry different from other sectors?)
3. Do you see a growth in demand [for diamonds and jewellery/art]?
What are the major trends in the contemporary market?
4. Who are the typical customers? Are customer interests changing?
5. How fast or slow does the [diamond/art] market work?\

6. How international is the industry? Do you sell more in [Geneva/Monaco/Luxembourg] than internationally?
7. What is the role of intermediaries?
(I.e. the role of trust and building relationships with customers)
8. Does the freeport have an impact on your sector?
9. How do you guard against problems such as money laundering with [diamonds/art]?
10. [For diamond dealers: Are there systems to ensure that diamonds sold come from responsible sources?
(For example, not sources from conflict zones)
For art dealers: How do you guarantee the authenticity of the works of art sold? How to promote a work of art?]
11. Finally, are there any business groups representing the interests of the luxury industries in [Geneva/Monaco/Luxembourg]?
Do you have good relations with regulators?

For the artists

1. Can you tell me about the themes of your art?
2. How did you decide to become an artist?
3. Why did you decide to become an artist in [Geneva/Monaco/Luxembourg]?
Did you consider working in a major centre for art such as Paris or London?
4. What do you think about life in this city?
5. Is there an artistic scene in [Geneva/Monaco/Luxembourg]? For example, art exhibitions, art fairs, etc?
6. Does the government support artists like you?
7. Are the people who buy your art mainly domestic or international?
8. There is a freeport in this city, which claims to support the
[Swiss/Monegasque/Luxembourgish] art market. Does this impact your work?
9. Are there any other challenges, for example access to studio space or housing?

At the end of the interview:

Thank you very much for your time, this was very helpful for my research!

Do you perhaps have any contacts who would be willing to talk to me about the issues we discussed today?

Interview guides: French versions [Questions d'entretien]

Merci beaucoup pour le temps que vous m'avez accordé aujourd'hui, je vous en suis très reconnaissant !

Comme je l'avais dit dans mes emails, je suis chercheur à l'université de Sheffield en Angleterre. Je travaille actuellement sur un projet concernant la planification urbaine et le développement économique. Genève/Monaco/Luxembourg est l'une de mes études de cas.

Cela vous dérange si j'enregistre la conversation pour m'aider, car il est difficile pour moi de prendre des notes en même temps ? C'est confidentiel et je le supprimerai après avoir pris des notes (Si non : ne pas enregistrer).

Alors, pour commencer, pouvez-vous me parler un peu de votre travail ?

Pour les économistes

1. Quelles sont, selon vous, les questions les plus importantes auxquelles la société est confrontée aujourd'hui ?
2. Quelle est, selon vous, l'orientation politique du pays ?
Quelles sont, selon vous, les priorités des dirigeants du pays ?
(Par exemple, attirer les investissements, devenir plus durable, réduire les

inégalités)

3. Quels sont les groupes les plus influents ou les entreprises avec le plus de poids dans le pays ? *(Par exemple, les lobbyistes d'une industrie)*
4. Quelle est l'importance du secteur financier dans la société [suisse/monégasque/luxembourgeoise] d'aujourd'hui ?
5. [En Suisse : quel est le pouvoir des cantons en matière de réglementation par rapport au gouvernement fédéral ?] *(Par exemple, la réglementation du secteur financier)*
6. Quelle est l'influence des pressions étrangères (par exemple, de l'Union européenne) sur la politique [suisse/monégasque/luxembourgeoise] ?
7. Ce pays est connu comme étant fortement associé au secteur du luxe; l'art, la mode, la finance et la richesse en général. Cette réputation internationale a-t-elle un impact sur la vie quotidienne ?
8. Genève/Monaco/Luxembourg est également le site de l'un des plus grands ports francs d'Europe. Il s'agit d'installations destinées au stockage et au commerce d'œuvres d'art. En connaissez-vous l'existence ?
(Si oui – pouvez-vous m'en dire un peu plus ? Les chercheurs suggèrent qu'il existe un lien entre l'industrie financière offshore et le marché de l'art offshore dans les ports francs. Si non – je comprends, merci)

9. Comment fonctionne le port franc ? La réglementation a-t-elle été modifiée, par exemple au cours des dix dernières années ?

10. Ma dernière question est un peu plus créative. À quoi espérez-vous que ce pays ressemblera dans vingt ans ?

Pour les régulateurs et les politiques

1. Comment décririez-vous l'identité [genevoise/monégasque/luxembourgeoise] ?

2. Quelle est l'importance du prince et de la famille royale dans la politique [monégasque/luxembourgeoise] ?

3. Quels sont les défis de [Genève/Monaco/Luxembourg] aujourd'hui ?
(Par exemple, la durabilité ou l'accès à un logement abordable)

4. Les [Genevois/Monégasques/Luxembourgeois] locaux représentent une minorité de la population. Cela signifie-t-il que la politique, la société et la culture sont totalement orientées vers les opinions de ceux qui s'installent en ville ?

5. Existe-t-il des programmes pour aider les [Genevois/Monégasques/Luxembourgeois] locaux, par exemple pour accéder à un logement abordable ?

6. [À Monaco : Le projet Mareterra va agrandir la ville. Y a-t-il d'autres plans d'expansion? Ou d'autres grands projets ?
À Genève et au Luxembourg : Quels sont les grands projets en cours actuellement ?]
7. Existe-t-il des projets pour rendre [Genève/Monaco/Luxembourg] plus durable sur le plan environnemental ?
8. Connaissez-vous le port franc ? Si oui, qu'en savez-vous ?
9. Le style architectural de la ville est assez intéressant. La vieille ville a conservé une architecture traditionnelle, mais dans le reste de la ville, il y a beaucoup de développement moderne. Quelles sont les attitudes vis-à-vis de la préservation du patrimoine architectural ?
10. Comment imaginez-vous [Genève/Monaco/Luxembourg] dans le futur, par exemple dans cinquante ans ?

Pour les représentants du port franc

1. Pouvez-vous me parler un peu de votre organisation et du travail qu'elle accomplit ?

2. Je me demandais si vous pouviez m'indiquer les lois et réglementations spécifiques s'appliquant aux ports francs ?

3. Savez-vous si des recherches ont été faites sur les impacts économiques des ports francs ?
(Par exemple, leur contribution à la croissance, à l'emploi ou au PIB national)

4. Le port franc a des clients tels que des galeristes, des marchands d'art, des maisons de vente aux enchères et des bijoutiers. L'essentiel de l'activité est-elle locale ou internationale ?

5. Quelle est la superficie de l'installation ?
Est-il possible d'estimer la valeur des objets détenus dans l'installation ?

6. La pandémie a-t-elle eu un impact important sur l'entreprise ?

7. Percevez-vous une croissance de la demande aujourd'hui ?

8. Le gouvernement soutient-il la croissance de l'industrie artistique dans le pays?

9. Avez-vous constaté une croissance de l'industrie artistique au [Genève/Monaco/Luxembourg] au cours de votre travail au port franc ?

10. [Au Luxembourg : Pourquoi l'entreprise a-t-elle changé de nom ?]

Pour les urbanistes

1. Pouvez-vous me parler des principales questions d'urbanisme qui se posent ici ?

2. Quelles sont les principales interventions urbaines ou grands projets en cours ? *(Par exemple en matière de logement, de transport, d'environnement ou de développement économique)*

3. Quelle est, selon vous, l'orientation politique de la ville ?
Quelles sont, selon vous, les priorités des dirigeants de la ville ?
(Par exemple, attirer les investissements, devenir plus durable, réduire les inégalités)

4. [Genève/Monaco/Luxembourg] est un endroit très riche. Comment cette richesse affecte-t-elle la ville ? *(Par exemple, l'accessibilité au logement)*

5. Y a-t-il beaucoup d'inégalités dans la ville ?

6. Cette ville est réputée pour être associée au secteur du luxe. J'entends par là l'industrie de l'art, les maisons de vente aux enchères, les bijoutiers, les maisons de couture, etc. Cela a-t-il une influence sur la vie quotidienne de la ville ?

7. Le secteur financier y est également bien connu. Pensez-vous que ce secteur soit influent, par exemple en politique ?

8. [Genève/Monaco/Luxembourg] est également le site de l'un des plus grands ports francs d'Europe. Il s'agit des installations destinées au stockage et au commerce d'œuvres d'art. En connaissez-vous l'existence ?
(Si oui – pouvez-vous m'en dire un peu plus ? Par exemple, quelle est la fonction de cette installation ? Est-elle utile à la création de nouveaux emplois ou à la croissance économique ? Si non – je comprends, merci)

9. Ma dernière question est un peu plus créative. À quoi espérez-vous que cette ville ressemblera dans vingt ans ?

Pour les architectes

1. Pouvez-vous me parler de votre travail et de l'organisation pour laquelle vous travaillez ?

2. Je m'intéresse à la conception du port franc de [Genève/Monaco/Luxembourg]. Son design est inhabituel. Comment ce design a-t-il été choisi ?

3. Comment l'architecte conçoit-il l'édifice ? Quelles considérations particulières y a-t-il eu ?

4. Comment décririez-vous le style architectural ?
5. Fait-il référence à un style architectural local ?
6. Quels sont les défis spécifiques liés à la conception d'un bâtiment tel que le port franc ? Je pense à la grande valeur des objets qui s'y trouvent.
7. Je vois sur votre site web que vous avez également été impliqué dans la conception des autres ports francs. La conception du bâtiment a-t-elle fait l'objet d'approches similaires ?
8. Savez-vous si la société va travailler sur d'autres projets de ports francs à l'avenir ?

Pour les marchands d'art, diamantaires et commissaires-priseurs

1. Pouvez-vous me parler de votre travail et de l'organisation pour laquelle vous travaillez ?
2. J'ai remarqué que [Genève/Monaco/Luxembourg] est associé aux industries du luxe, notamment les diamants, la joaillerie et l'art.
J'aimerais en savoir un peu plus sur vos expériences dans l'industrie.
(Par exemple, en quoi l'industrie [du diamant/de l'art] est-elle différente des autres secteurs ?)

3. Voyez-vous une croissance de la demande [de diamants et la joaillerie/ de l'art] ? Quelles sont les grandes tendances du marché contemporain ?
4. Qui sont les clients types ? Les intérêts des clients changent-ils ?
5. À quelle vitesse ou lentement le marché [des diamants/ de l'art] fonctionne-t-il ?
6. À quel point l'industrie est-elle internationale? Vendez-vous plus à [Genève/Monaco/Luxembourg] qu'à l'international ?
7. Quel est le rôle des intermédiaires ?
(C'est-à-dire le rôle de la confiance et de l'établissement de relations avec les clients)
8. Le port franc a-t-il un impact sur votre secteur ?
9. Comment vous prémunissez-vous contre des problèmes tels que le blanchiment d'argent avec [des diamants/de l'art] ?
10. [Pour les diamantaires: Existe-t-il des systèmes pour s'assurer que les diamants vendus proviennent de sources responsables ?
(Par exemple, pas des zones de conflit)
Pour les marchands d'art: Comment garanzissez-vous l'authenticité des œuvres d'art vendues ? Comment valoriser une œuvre d'art ?]

11. Enfin, existe-t-il des groupements d'entreprises représentant les intérêts des industries du luxe à [Genève/Monaco/Luxembourg] ?
Avez-vous de bonnes relations avec les régulateurs ?

Pour les artistes

1. Pouvez-vous me parler des thèmes de votre art ?
2. Comment avez-vous décidé de devenir artiste ?
3. Pourquoi avez-vous décidé de devenir artiste au [Genève/Monaco/Luxembourg] ?
4. Que pensez-vous de la vie dans cette ville ?
5. Existe-t-il une scène artistique au [Genève/Monaco/Luxembourg] ? Par exemple, des expositions d'art, des foires d'art, etc. ?
6. Le gouvernement soutient-il des artistes comme vous ?
7. Les acheteurs d'art sont-ils principalement internationaux ou nationaux ?

8. Le port franc entend soutenir le marché de l'art [suisse/monégasque /luxembourgeois]. Cela a-t-il un impact sur votre travail ?

9. Y a-t-il d'autres défis, par exemple l'accès à l'espace de studio ?

À la fin d'entretien:

Merci beaucoup pour votre temps, cela va vraiment m'aider dans mes recherches !

Je me demandais si vous aviez d'autres contacts qui seraient prêts à me parler des questions dont nous avons discuté aujourd'hui ?

Appendix two: information sheet

This information sheet received approval from the University of Sheffield as part of the ethics application process and is provided for reference below. This was available only in the English language. However, I responded to questions participants had about the research before and during the interview and summarised the points below.

Participant Information Sheet**'Safe Harbours? Understanding the wider impacts of freeports in Europe'**

You are being invited to take part in a research project. Before you decide whether or not to participate, it is important for you to understand why the research is being done and what it will involve. Please take time to read the following information carefully and discuss it with others if you wish. Ask us if there is anything that is not clear or if you would like more information. Take time to decide whether or not you wish to take part. Thank you for reading this.

1. Purpose of study

The aim of this project is to investigate the local economic, social and political impacts of freeports upon their surrounding areas. This will be the first trans-national comparative study of major freeports across Europe.

2. Why have I been chosen?

You have been chosen because you work in a role that is relevant to freeports and for the purposes of the research it will be beneficial to hear your professional expertise on this subject.

3. Do I have to take part?

It is up to you to decide whether or not to take part. If you do decide to take part you will be given this information sheet to keep and you can still withdraw up until 1 January 2024. You do not have to give a reason. If you wish to withdraw from the research, please contact the Principal Researcher, Liam O'Farrell, or alternatively the Research Supervisor, Professor Rowland Atkinson.

Please note that that by choosing to participate in this research, this will not create a legally binding agreement, nor is it intended to create an employment relationship between you and the University of Sheffield.

4. What will happen to me if I take part? What do I have to do?

Your participation in this research will involve one interview of up to 60 minutes in length. In this interview, I will ask questions about your role and how the local freeport facility may (or may not) impact upon your work.

5. What are the possible disadvantages and risks of taking part?

Any risk to you based on statements you make in the research will be managed through fully anonymising the transcripts of this interview and as far as possible removing any identifying characteristics in the subsequent analysis.

6. What are the possible benefits of taking part?

Whilst there are no immediate benefits for those people participating in the project, it is hoped that this work will further the scientific understanding of freeport facilities and in turn inform policy debates about these facilities.

7. Will my taking part in this project be kept confidential?

All the information that we collect about you during the course of the research will be kept strictly confidential and will only be accessible to members of the research team. You will not be able to be identified in any reports or publications unless you have given your explicit consent for this. If you agree to us sharing the information you provide with other researchers (e.g. by making it available in a data archive) then your personal details will not be included unless you explicitly request this.

Data confidentiality will be maintained provided that you do not disclose information about criminal activity or risks to public safety, which the researcher may be obliged to report to the relevant authorities.

8. What is the legal basis for processing my personal data?

According to data protection legislation, we are required to inform you that the legal basis we are applying in order to process your personal data is that 'processing is necessary for the performance of a task carried out in the public interest' (Article 6(1)(e)). Further information can be found in the University's Privacy Notice <https://www.sheffield.ac.uk/govern/data-protection/privacy/general>.

'As we will be collecting some data that is defined in the legislation as more sensitive (information about ...), we also need to let you know that we are applying the following condition in law: that the use of your data is necessary 'for archiving purposes in the public interest, scientific research purposes or statistical purposes' (9(2)(j)).

9. What will happen to the data collected, and the results of the research project?

Data collected in this interview will be transcribed by the interviewer and anonymised to remove identifying characteristics. The data will be analysed as part of the researcher's PhD in Urban Planning at the University of Sheffield. In addition, anonymised data may appear in publications, including but not limited to journal articles, book chapters, blogs and conference presentations. You may request a copy of the anonymised transcript for your own records by contacting the researcher. You will not be identified in any publication and data will not be transferred outside of the EEA.

Data will be stored for the duration of the project and anonymised transcripts will be uploaded to the UK Data Service to validate research outputs and for use in future research and learning. Data held by the researcher will be deleted upon the conclusion of the project in December 2024.

Due to the nature of this research it is likely that other researchers may find the anonymised data collected to be useful in answering future research questions. We will ask for your consent for your data to be shared in this way.

10. Will I be recorded, and how will the recorded media be used?

The audio recordings of your activities made during this research will be used only for analysis for the purposes of the research. No other use will be made of them without your written permission, and no one outside the project will be allowed access to the original recordings.

11. Who is organising and funding the research?

This research is funded by the Economic and Social Research Council, part of UK Research and Innovation. It is organised at the University of Sheffield.

12. Who is the Data Controller?

The University of Sheffield will act as the Data Controller for this study. This means that the University is responsible for looking after your information and using it properly.

13. Who has ethically reviewed the project?

This project has been ethically approved via the University of Sheffield's Ethics Review Procedure, as administered by the Department of Urban Studies and Planning.

14. What if something goes wrong and I wish to complain about the research or report a concern or incident?

If you are dissatisfied with any aspect of the research and wish to make a complaint, please contact Professor Rowland Atkinson; Rowland.Atkinson@sheffield.ac.uk in the first instance. If you feel your complaint has not been handled in a satisfactory way you can contact the Head of the Department of Urban Studies and Planning, Professor David Robinson; David.Robinson@sheffield.ac.uk. If the complaint relates to how your personal data has been handled, you can find information about how to raise a complaint in the University's Privacy Notice: <https://www.sheffield.ac.uk/govern/data-protection/privacy/general>

If you wish to make a report of a concern or incident relating to potential exploitation, abuse or harm resulting from your involvement in this project, please contact the

project's Designated Safeguarding Contact Professor Rowland Atkinson; Rowland.Atkinson@sheffield.ac.uk. If the concern or incident relates to the Designated Safeguarding Contact, or if you feel a report you have made to this Contact has not been handled in a satisfactory way, please contact the Head of the Department of Urban Studies and Planning, Professor David Robinson; David.Robinson@sheffield.ac.uk and/or the University's Research Ethics & Integrity Manager, Lindsay Unwin; L.V.Unwin@sheffield.ac.uk.

15. Contact for further information

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