

# Financialization of Economy: an introduction

## *A Financeirização da Economia: uma introdução* *Financiarización de la economía: una introducción*

ROMUALDO PORTELA DE OLIVEIRA<sup>1</sup>

**Abstract:** In view of the growing use of the term “financialization” to interpret the ongoing changes in the capitalist economy and its use in academic production on education in Brazil, this article seeks to recover its historical origins and the way in which the already abundant production present in the literature has been organized. We took as a starting point some widely cited works in the literature and literature reviews in order to recover their origins and the main meanings attributed to the term. We concluded that there are important gaps in the bibliography, which points to the need for new approaches in order to articulate the different concepts used to interpret the ongoing transformations, whether it is the relationship between financialization, globalization and neoliberalism or its relationship with the digitalization of capitalism. At the end, it presents some questions that may indicate possible lines of investigation.

**Keywords:** Financialization; literature review; definition of financialization.

**Resumo:** *Ante o crescente uso do termo “financeirização” para interpretar as modificações em curso na economia capitalista e seu uso na produção acadêmica sobre educação no Brasil, o presente artigo busca recuperar suas origens históricas e a forma como tem sido organizada a já abundante produção presente na literatura. Tomou-se como ponto de partida alguns trabalhos amplamente citados na literatura e revisões de literatura de modo a recuperar suas origens e os principais sentidos atribuídos ao termo. Conclui-se que há lacunas importantes na bibliografia o que aponta para a necessidade de novas abordagens de modo a articular os diferentes conceitos utilizados para interpretar as transformações em curso, quer seja a relação entre financeirização, globalização e neoliberalismo quer seja sua relação com a digitalização do capitalismo. Ao final apresenta algumas questões que podem indicar possíveis linhas de investigação.*

**Palavras-chave:** *Financeirização; revisão de literatura; definição de financeirização.*

1 ORCID: <https://orcid.org/0000-0003-2466-9983>. Universidade de São Paulo (USP), Faculdade de Educação, Departamento de Administração Escolar e Economia da Educação, Campinas, SP, Brasil; Universidade Federal do Pará (UFPA), Instituto de Ciências da Educação, Programa de Pós-Graduação em Educação do ICED, Belém, PA.

**Resumen:** Frente al creciente uso del término “financiarización” para interpretar los cambios en curso en la economía capitalista y su uso en la producción académica sobre educación en Brasil, este artículo busca recuperar sus orígenes históricos y la forma en que se ha organizado la ya abundante producción presente en la literatura. Tomamos como punto de partida algunos trabajos ampliamente citados en la literatura y en revisiones bibliográficas con el fin de recuperar sus orígenes y los principales significados atribuidos al término. Se concluye que existen importantes vacíos en la bibliografía, lo que apunta a la necesidad de nuevos enfoques para articular los diferentes conceptos utilizados para interpretar las transformaciones en curso, ya sea la relación entre financiarización, globalización y neoliberalismo o su relación con la digitalización del capitalismo. Al final, se presentan algunas preguntas que pueden indicar posibles líneas de investigación.

**Palabras clave:** Financiarización; revisión de la literatura; definición de financiarización.

## INTRODUÇÃO

Over the last thirty years, we have seen an increasing use of the word “financialization” to understand the changes taking place in the contemporary economy. On April 22, 2011, *google scholar* recorded 1,950 citations for “financialisation” (the spelling adopted in the UK) and 4,680 for “financialization” (adopted in the US) (Cf Engelen, 2012). Approximately 40% of this total was added to the search engine between the beginning of 2009 and April 2011. Three years later, on April 22, 2014, there were respectively 5,940 and 12,600, 60% added during this time interval. More than four years later, on September 12, 2018, there were 16,600 and 34,200 citations respectively (Cf. Aalbers, 2019), and on May 21, 2024, 38,000 and 75,300 respectively, which suggests that the concept is still expanding its academic use.<sup>2</sup>

This popularization necessarily generates a polysemy, which is even welcomed by some authors, as it allows a broad use, resulting from a certain imprecision. Manuel Aalbers himself states that

Financialization has also been criticized, either because the concept is considered imprecise, vague and chaotic or because the evidence presented to support it is debatable. In a sense the critics are right: financialization can be an elastic concept that covers many processes, structures, practices and outcomes at different points in time.<sup>3</sup> (Aalbers, 2017:1062).

2 Robert Guttman (2017) points out that after the 2007/08 crisis, there is a certain reflux of financialization, perhaps towards what he calls “ecological capitalism”, given to the worsening climate crisis. Similarly, Wudil & Muhammad (2023), reviewing the literature on the subject, with publications from 2014 to 2023, found 3,188 articles in the *Scopus* database during this period. Although they note a decrease in the rate of growth in the use of the term, they observe that it remains significant.

3 All translations have been made by the author.

As an example, we have one of the most widely cited definitions, that of Gerald Epstein (2005), who states:

While many books about neoliberalism and globalization have been written, research into the phenomenon of financialization [...] is relatively new. In fact, there is not even agreement on the definition of the term, let alone its meaning. Greta Krippner presents an excellent discussion of the history of the term and the pros and cons of various definitions (Krippner, 2004). She summarizes the discussion as follows: some authors use the term “financialization” to designate the rise of shareholder value as a mode of corporate governance; some use it to refer to the growing dominance of financial capital market systems; some follow Hilferding’s lead and use the term “financialization” to refer to the growing economic and political power of a particular class or group; for others, financialization represents the explosion of financial trade with a myriad of new instruments; finally, for Krippner herself, the term refers to a “pattern of accumulation in which profit generation increasingly occurs through financial channels rather than through trade or *commodity* production (Krippner, 2004, p. 14).

All these definitions capture some aspect of the phenomenon we have been calling financialization. So let’s use it more broadly: for us, financialization means the increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of domestic and international economies<sup>4</sup>. (Epstein 2005a, p. 3).

Given the growing use of the term in the field of education in Brazil, the aim of this article is to discuss the conceptualizations present in the literature, in order to allow its more precise use to analyze the processes of penetration of financial capital in the field of education. This will still be done in an exploratory way, and will therefore certainly require a wider range of research in the literature, as well as refining the conceptual differentiation that exists within some approaches, as I will point out at the end. This article is divided into three parts. The first explains the causes of financialization, the second classifies the terms that appear in some “states of the art” and the last presents the definitions that seem most precise to some of the questions that this systematization of the literature suggests, indicating possible lines of further study on the subject.

---

4 In bold the passage that is widely used in the literature as the most widely used conceptualization.

## THE CAUSES OF THE FINANCIALIZATION OF THE ECONOMY

Financialization, as we understand it today, has its origins in the processes of transformation of the technical base that began at the end of the 1950s and intensified throughout the 1960s, marked by the introduction of automation into the production process and its generalization throughout the economy<sup>5</sup>.

The repercussions on the accumulation process began to be felt at the end of the 1960s and, as a concept, the term began to be used to understand these transformations soon after. The word “financialization” came into widespread use at the end of the 1980s, at the same time as the terms “globalization” and “neoliberalism”. In Epstein’s words:

Over the last thirty years, the world’s economies have undergone profound transformations. Some of the dimensions of this changed reality are clear: the role of governments has diminished while that of markets has increased; economic transactions between countries have increased substantially; national and international financial transactions have grown by leaps and bounds [...]. In short, this changing landscape has been characterized by the rise of neoliberalism, globalization and financialization (Epstein, 2005, p. 3)

Globalization, neoliberalism and financialization came to be used by the same time and, in many interpretations, they appear connected. Two aspects of this process should be highlighted. Firstly, the ongoing transformations and their consequences for the distributive conflict can be seen in the following observations by Robert Guttman:

The share of the “financial industry” in the US Gross Domestic Product grew from 2% at the end of WWII to more than 8% in 2007 (Guttman, 2016:91).

He also notes that this process represents a major advance against workers, since there is a number of elements that make the world of work go on the defensive against capital. These include the crisis of the welfare states and the consequent emergence of neoliberalism as a viable alternative for social governance, the end of the USSR and the workers’ bureaucracies in Eastern Europe, which ended the global polarization characteristic of the Cold War, allowing interpretations of the “end of history” and the final victory of capitalism to emerge. As an example, Guttman himself states that:

---

5 The change in the technical basis began in 1947, with the development of the transistor, which replaced the valve, at Bell Corporation, thanks to the work of John Bardeen and Walter Brattain, and in 1958, with the development of *microchips*, integrated circuits, both at *Texas Instruments*, through the work of Jack Kirby, and at *Fairchild*, with the work of Robert Noyce. (Cf. Mehl, n.d.)

Over the last three decades, the resources allocated to wages in most industrialized nations have been supplanted by productivity gains [...] even in terms of the share of wages in GDP, there has been a drop from 59% at its peak in 1970 to just under 50% in 2012 (Guttman, 2016, p. 108-109).

This finding of the declining share of wages in national income is well documented in the work of Piketty (2014), who presents significant data to show this. One of his tables is illustrated below.

**Table 1 - Participation in national income by income brackets**

Share of different groups in total income	Europa 2010	EUA 2010
The richest 10%	35,00 %	50,00 %
of which: the richest 1%	10,00 %	20,00 %
of which: the following 9%	25,00 %	30,00 %
The mid 40%	40,00 %	30,00 %
The poorest 50%	25,00 %	20,00 %

Source: Eric Toussaint (2014), based on table 7.3, p. 392, Piketty, 2014.

Referring to the three concepts associated with this transformation, neoliberalism, globalization and financialization, at each moment one of them is hegemonic as an explanatory element for the transformations underway. First, globalization (cf. Henwood, 2000), then neoliberalism and, more recently, financialization. None of these are new in historical terms. We've had Roman globalization, the globalization of the discoveries, the globalization of 19th century liberal capitalism, the globalization of imperialism and the globalization we're witnessing nowadays. Neoliberalism re-establishes a direct link with classical liberalism in its name, although it is the only one that explicitly differentiates itself from the previous period by adding the prefix "neo". With regard to financialization, Alexandre Vercelli (2013) points out that this is not the beginning of financialization, but of a specific financialization, which has aspects of continuity with other periods, such as the growth in the volume of financial transactions, the acceleration of aspects already present in the previous context, such as deregulation and some new aspects, such as securitization<sup>6</sup>. Vercelli calls it neoliberal financialization, pointing out that, in this case, gains in the financial market are dissociated from production.

<sup>6</sup> Securitization is the term used to refer to a debt that has been negotiated with investors. It is a practice that aims to transform credit securities, such as unpaid invoices or loan debts, into securities that can be traded on the capital markets.

The first and foremost concern of the recent debate on financialization is the process that began in the 1970s, called “neoliberal financialization” (or the second financialization since the industrial revolution<sup>7</sup>). (Vercelli, 2013, p. 19-20)

This assessment characterizes the present moment in what the separation of the real economy production from financial speculation is contested by some authors. For example, Eleutério Prado, in a 2014 article, contests this approach present in the reading of François Chesnais (2005), who, according to him, analyzes the phenomenon of anchored financialization:

[...] in the idea that financial capital should be condemned as a greater evil, because it parasitizes industrial capital and lowers the growth prospects of the capitalist economy. [...] It is argued that financialization is not a historically anomalous development of the accumulation process, but rather that it is a necessary and functional result of the development of the capital relation itself. To this end, it is shown how Marx understands capital as a totality made up of particular capitals in a permanent process of competition. It is argued [...], in favor of a polemical thesis: first, it is admitted that the financial form of capital (i.e.  $D - D'$ ), after a long period in which the industrial and commercial form of capital (i.e.  $D - M - D'$ ) commands the process of accumulation, and after the hiatus at the beginning of the 20th century in which this condition is contradicted, finally emerges in the 21st century as prominent; as consequence of this historical fact, it is then considered that this emergence is not fortuitous, because it is in accordance with the very concept of capital. Because the financial form, on the one hand, fully realizes the fetishism inherent in the concept of capital and, on the other, socializes private property to the highest degree. (Prado, 2014, p. 14)

Returning to the process of development of the concept, according to Malcolm Sawyer, coordinator of the FESSUD project<sup>8</sup>, the first persons from the left (and perhaps from any other political position) to explore this process systematically were Harry Magdoff and Paul Sweezy, and their work can be followed by their abundant output published in *Monthly Review*<sup>9</sup>.

7 According to Vercelli, the first financialization extended from the second half of the 19th century until the start of the great depression in the 1930s, and the second began at the end of the Bretton Woods agreements (1971) and continues to the present day. Despite their different characteristics, they share common aspects, including the reduction of restrictions on the flow of goods, services and capital between countries and the need to react to the fall in growth and, consequently, profits in the real economy (Cf. Vercelli, 2013-2014, p. 25).

8 The FESSUD Project was a 5-year multidisciplinary research project (2011-2016) funded by the European Commission, bringing together 14 universities under the coordination of Malcolm Sawyer from the University of Leeds. The project's objectives were to analyze financialization and its economic, social and environmental impacts with a view to providing guidelines for *policy makers*. For more details: <http://fessud.eu/the-project>.

9 To cite some of the outstanding works from this perspective, see Magdoff & Sweezy, 1987, Sweezy, 1982, 1994, 1997.

Correa, Vidal and Marshall (2012) cite Gerardo De Bernis (1988) as the first author to pay attention to the growing dominance of finance in the economy. The following excerpt from De Bernis' work highlights this.

The policies to combat inflation have essentially been deflationary policies, without no attention to how prices are formed: budget restrictions (to the point of creating surpluses in the FRG, Japan and the United Kingdom), pressures on the purchasing power of wages and social spending, incitements to make savings. The latter measures, in particular, accelerated the process of financialization of the economy, which had already begun in earnest due to the combination of the rise in profits and uncertainty about future costs and prices (erratic exchange rates, variable interest rates): for some years now, there has been an unprecedented development, much more vigorous than that between 1925 and 1929, of financial innovations, of financial markets. While the rate of investment grows very slowly and an important part of this investment is devoted solely to the rationalization or modernization of existing facilities, with a reduction in productive capacities as the case may be, and always decreasing the number of jobs. (De Bernis, 1988, p. 73-74)

In his recovery of the history of the concept, John Bellamy Foster (2007, p. 1) states that “the current use of the term ‘financialization’ owes much to the work of Kevin Phillips, who used it in his book *“Boiling Point”* in 1993 and, a year later, devoted a key chapter of his *“Arrogant Capital: America’s financializing”* to the subject.”

In the first text, Phillips states that

Financialization, however, also meant that, from their own perspective, bankers, insurers and financiers had good reason to fear that protecting declining domestic manufacturing industries could bring foreign retaliation against Britain’s profitable shipping, investment and financial services. And they were profitable. Even after the economic blows of the 1914-18 war, while British heavy industry sank further during the 1920s, the City of London managed to maintain its place as the center of the financial world. What’s more, British international investments actually yielded more than ever, as did financial and insurance services, which seemed to belie Chamberlain’s fears. Then, however, the devastating economic effects of the Second World War tragically confirmed the prediction that finance would be a thin reed. The 175 million pounds that Britain had earned from foreign investment in 1938 fell to 73 million pounds in 1940. Post-war annual figures were nominally back to pre-war levels, but adjusted for inflation they were much lower - and the UK also staggered under the weight of \$13 billion of new foreign liabilities. Financial supremacy followed economic and manufacturing supremacy to the United States, and we saw how hard times caught up with middle- and upper-middle-class Britons, although the City of London - like Amsterdam - still retained an important world role. (Phillips, 1993, p. 208)

Phillips points out that the main source of Britain's earnings after the First World War shifted from production to finance. In the book *Arrogant Capital* (1994), in chapter 4, called "The Financialization of America: Electronic Speculation and Washington's Loss of Control over the 'Real Economy'<sup>10</sup>", Kevin Phillips defines financialization in the USA, the place where the contemporary process originated, as:

What can be called the financialization of the United States goes far beyond its obvious day-to-day symptoms: the proliferation of ATMs in suburban shopping malls, the stock market books on bestseller lists, the rising rates of retirees investing in mutual funds. The real transformation is much greater. Nor is the end of the 20th century the first example, a point we will pursue below, although today's upheaval is by far the greatest. Finance has not simply spread to every nook and cranny of economic life; a sizable portion of the financial sector, electronically liberated from the constraints of the past, has cast aside old concerns about financing the country's long-term industrial future, divorced itself from the precarious prospects of Americans who toil in factories, fields or even suburban malls and simply eat where they can. (Phillips, 1994, p. 100)

Two aspects of this passage stand out. On one hand, the statement that the process is the result of changes in technology, allowing a wider and faster flow of capital. On the other hand, he points out that high finance is free from the "precarious prospects of Americans who toil in factories, fields or even suburban malls and simply eat where they can", emphasizing the separation between the "real economy", i.e. the production of goods, and the financial gains of investors in the financial market. In the same year, 1994, Giovanni Arrighi used the concept of financialization in an analysis of the transition in international hegemony (Cf. Foster 2008, p. 1, n. 3).

Curiously, there is no mention in these reviews of the work of the Brazilian José Carlos Braga, a professor at Unicamp's Institute of Economics, who in 1985, in his doctoral thesis, already identified this process of hegemonization of the capitalist economy by speculative capital. (Cf. Braga, 2000)

An initial understanding of this process already appears in the seminal work from 1910 by Rudolf Hilferding who published the book "Finance Capital", which represents the first substantive updating of Marxist economic thought, Hilferding states:

---

<sup>10</sup> *The Financialization of America: Electronic Speculation and Washington's Loss of Control over the "Real Economy"* (Phillips, 1994:1995, p. 135)



I call banking capital financial capital, and therefore capital in the form of money, which is then actually transformed into industrial capital. It always retains the form of money before its owners, which is invested in the form of money capital - of interest-bearing capital - and can always be withdrawn by them in the form of money. But in reality, most of the capital invested in this way in banks is transformed into industrial, productive capital (means of production and labor power) and immobilized in the production process. An ever-increasing proportion of the capital employed in industry is financial capital, capital at the disposal of the banks and [employed] by industrialists (1985, p. 219).

Hilferding points out that financial capital, the association of banking and industrial capital, represents a new phase in the process of capitalist accumulation. His work creates the conditions for the theorizing on imperialism undertaken by various Marxist authors throughout the 1910s, such as Rosa de Luxemburgo, *The Accumulation of Capital* (1985, [1913]) and Lenin, in "Imperialism" (2011, [1916]). This was the pattern of accumulation that prevailed throughout the 20th century, with financial capital increasing its power over the economy as a whole, to the point where, by the end of the century, many sectors with investments in the industrial sector earned more profits from investments in the financial market than as a result of production, making explicit one of the facets of modern financialization, the activity in the financial market of non-financial organizations.

The following shows how the specialized literature has sought to organize the production on the subject and the definitions that seem most fruitful to understand the phenomenon of financialization.

## STATE-OF-THE-ART CLASSIFICATIONS

In view of the expansion of production by means of financialization, the term is now being used to designate different aspects of the ongoing transformations. Organizing an understanding of this production becomes an important element of analysis. To this end, we will resort to some literature reviews that attempt to organize its different facets.

One of the best known, which we will take as a reference, is the work by Natascha van der Zwan, *Making sense of financialization* (2013). Zwan identifies three approaches to the concept of financialization. The first is as a regime of accumulation, the second focuses on the financialization of the modern corporation and the third emphasizes culture and everyday life. Let's take a look at each of them.

With regard to financialization as a regime of accumulation, Zwan states:

Although often associated with the regulation school, the accumulation approach described in this article includes a broader group of researchers: post-Keynesians, sociologists of economics, politics and international economists who explore the relationships between the decline in manufacturing profitability and the growth of financial activities of non-financial firms (Zwan, 2013, p. 101).

Zwan calls the second approach the financialization of the modern corporation.

Scholars have attributed the financialization of the modern corporation to the emergence of shareholder value as the main guiding principle of corporate behavior (cf. Rappaport, 1986). Shareholder value refers to the idea that the primary purpose of the corporation is to make a profit for its shareholders.

According to Aglietta, the value attributed by the shareholder has become the “norm of transformation of capitalism” (Aglietta, 2000, p. 149) and as such has provided the justification for the dissemination of new policies and practices favoring shareholders over other constituents of the firm. (Zwan, 2013, p. 102)

And finally, a third approach from social accounting and cultural economics focuses on its effects on everyday life.

Researchers of everyday life have abandoned the focus on the corporation in favor of an approach that appreciates the various ways in which finance is grounded in the practices of everyday life. These studies have interrogated projects and schemes anchored to the incorporation of low- and middle-income homeowners into financial markets, through participation in pension plans, home mortgages and other financial products aimed at mass consumption. Finance has become a decentralized form of power in this body of work, exercised through individuals' interactions with new financial technologies and financial knowledge systems (Zwan, 2013, p. 102).

This three-pronged approach is widely accepted in the literature. However, several authors have either extended it or sought another grouping because these three dimensions often interpenetrate or because there are approaches that it does not cover.

Manuel Aalbers (2017) takes Zwan's organization as a starting point, but organizes the scope of the topic differently. He proposes that financialization be analyzed based on ten themes.

1. Financialization as a recurring historical process that marks the autumn (sunset) of hegemonic powers;

2. Financialization of the banking system: i.e. the growth of non-bank financial institutions; in the 2019 version of this entry, this theme is replaced by the following wording: the financial revolution in services, i.e. the growth of non-bank financial institutions and the increasing importance of leveraging<sup>11</sup> and charging fees along the lines of banks' business models.

3. Financialization in the economy in the strictest terms: this is the financial sector becoming increasingly dominant in economic terms;

4. Financialization of non-financial firms: i.e. traditionally non-financial firms dominated by financial narratives, practices and measures;

5. Financialization within non-financial firms: i.e. traditionally non-financial firms participating in practices that are in the domain of the financial sector; replaced in the 2019 version by the following wording: financialization as assetization<sup>12</sup>, i.e. the transformation of a range of *commodities* into tradable financial *assets*;

6. Financialization of the workplace: that is, employees and their workplaces are increasingly shaped by financial narratives, practices and measures;

7. Financialization of the semi-public sector: that is, governments, public authorities, education, healthcare, social housing, and a range of other sectors become dominated by financial narratives, practices and measures;

8. Financialization of public policy: that is, the concerns and interests of the financial industry are becoming increasingly privileged in the public policy domain;

9. Financialization of housing: that is, financial motives, rationalities and measures are becoming increasingly dominant, both in the way individuals and homeowners are being evaluated and approached, and how they make life decisions;

10. Financialization of discourse: that is, finance becomes increasingly dominant as a narrative and as a metaphor, as a language for seeing/visualizing/measuring/evaluating all things, economic and non-economic ones (Cf. Aalbers, 2017, p. 1062-1063).

In the 2019 version of this entry, Aalbers mentions seven themes, and it is worth to note the changes between one version of his text and another. Initially, he deletes themes 6, 8 and 9 and changes the wording of 2, 5, 6 and 10, as noted above.

---

11 Financial *leverage*, or *gearing*, is the action of taking on debt to finance an action without compromising the company's assets. It is a way of increasing profitability through debt. In other words, it ends up acting like a credit limit, allowing the company to move more money than it has on the stock exchange. We can also say that it is the effect of third-party capital on a company's equity.

12 Assetization" refers to the act of turning something (merchandise, knowledge, etc.) into a property right that generates a periodic flow of income. This is what happens with the personal and behavioral data collected by large global information technology corporations. Derives from asset which means asset and when used in economics means financial asset.

With this range of themes in mind, Aalbers defines financialization, taking up Epstein's expression and refining it, in the following terms:

Financialization is the increasing domination of financial actors, markets, practices, measures and narratives, at various scales, resulting in a transformation of the structures of economies, firms (including financial institutions), states and property owners. (2019, p 1063)

In another literature review, Alex Palludetto and André Felipini (2019) used the *VOS viewer* software to analyze a total of 1649 articles from the *Scopus* database on the subject. The authors found that 15 articles represented approximately 1% of the total and accounted for around 20% of the citations. Table 1 shows these authors and articles.

**Table 2 - Main publications by citation (1992-2017)**

Publication	Number of citations	Share of total citations
Krippner (2005)	614	4%
Froud et al. (2006)	282	1,8%
Stockhammer (2004)	263	1,7%
Froud et al. (2000)	238	1,5%
Tang e Xiong (2012)	217	1,4%
Harvey (2006)	197	1,28%
McMichael (2012)	171	1,11%
Lazzarato (2009)	170	1,11%
Lapavistas (2009)	162	1%
van der Zwan (2014)	160	1%
Gotham (2000)	135	0,8%
French et al (2011)	132	0,8%
Pike e Pollard (2010)	132	0,8%
Dore (2008)	129	0,8%
Orhangazi (2008)	127	0,8%
Total	3132	20,3%

Source: Palludetto & Felipini (2019), p. 320.

His analysis of the literature identified five major approaches to financialization, shown on Table 1.

**Chart 1 - The main lines of the literature on financialization**

Abordagens	Themes	Terms	Journals	Authors
Maximizing shareholder value: <i>Critical Social Accountancy School</i> and the like	Performance (indicators) of firms subject to this regime	shareholder value; manager; company; firm	Accounting, Organizations and Society; Accounting Forum; Academy of Management Review;	Froud; Haslam; Erturk; Williams
Macroeconomic regimes of accumulation: post-Keynesian and Marxist	Changes in the accumulation paradigm; instability of the economic system; functional distribution of income	worker; neoliberalism; income distribution; labor/labor	Cambridge Journal of Economics; Review of Radical Political Economics; Journal of Economic Issues;	Lapavistas; Krippner; Stockhammer; Hein; Lavoie
"Financialization of everyday life" and culture	Transformation of the subject and their sociability through finance	culture; individual; life; rationality	Journal of Cultural Economy; Theory, Culture and Society; Cultural Critique	Martin; Langley
Geography of financialization	Financialization as a localized aspect and its repercussions on urban life; housing	geography; construction; housing market; city	Urban Studies; International Journal of Urban and Regional Research; Housing Studies; Geoforum	Pike; French; Hall; Christophers; Gotham
<i>Commodity</i> financialization, agrarian structure and development	The international dynamics of <i>commodity</i> prices determined in financial markets and the organization of rural activity	commodity futures market; volatility; financial investor; speculation	Third World Quarterly; Journal of Peasant Studies;	Clapp; McMichael; Fairbairn; Buyuksahin

Source: Palludeto & Felipini (2019), p. 330.

As you can see, these authors add two approaches to Zwan's classification. On the one hand, the "geography of financialization", drawing attention to the fact that it was originally more noticeable in the United States, but its diffusion has led it to expand to the rest of the world. This dimension has been increasingly studied as the phenomenon has become noticeable on a global scale. Secondly, they add the financialization of *commodities* with an emphasis on agrarian structures.

These aspects are present in Zwan's analysis, but she does so separately and does not attribute them the status of a different approach from the others, but it is not clear whether they would be absorbed by the classifications she uses.

Developing the first line of organization outlined by Zwan and the second by Palludetto and Felipini, "Macroeconomic regimes of accumulation: post-Keynesian and Marxist", Baris Guven, in a work originally published in 2015, the latest revision of which we have access to is from 2017, classifies the Marxist approaches to financialization into six different types, as organized on Table 2.

**Chart 2 - Marxist approaches to financialization, according to Guven (2017)**

Approach	Authors
Financialization in the school of monopoly capital: the triumph of financial capital	Baran, Sweezy, Foster, Magdoff
Financialization in the Theory of Social Structures of Accumulation (ESA): a by-product of neoliberalism	Kotz, Wolfson
Duménil and Lévy on financialization: against the onslaught of finance capital	Duménil, Levy
Financialization from the perspective of the world system: recurrent stage of accumulation following the growth of intercapitalist competition	Arrighi
Financialization in the Parisian approach to regulation (APR): the financial system replaces Fordist wage commitments and establishes the regulation of a new growth regime	Aglietta, Boyer, Jessop, Lipietz, Vale
Lapavitsas on financialization: financial expropriation in neoliberalism	Lapavitsas

Source: Prepared by the author based on Guven’s classification.

His classification seems less clear than the others, since there are obvious interpenetrations between them, but it certainly deserves a more detailed and critical review, because I believe that it is in this strand that the possibility of a comprehensive synthesis of the current moment can be found.

However, from the set of texts I have presented here, I believe it is already possible to sketch out a definition that allows us a theoretical framework to analyze education studies in the area.

Firstly, I believe that Greta Krippner’s work presents a definition that encapsulates the central aspect of this literature, the understanding that financialization is characterized by a new pattern of accumulation,

[...] in which profit generation increasingly takes place through financial channels rather than through trade or *commodity* production (Krippner, 2004, p. 14).

In addition to this, Costas Lapavitsas’ formalization helps us understand what we are witnessing. According to this author,

Financialization is considered to be a transformation in advanced capitalist economies that comprises three fundamental elements: first, large non-financial corporations have reduced their reliance on bank loans and acquired financial capabilities; second, banks have expanded their intermediary activities in financial markets, as well as lending to households; third, households become increasingly involved in finance, both as debtors and investors. (Lapavitsas, 2011, p. 623)

## SOME FINAL REMARKS

In this section I will briefly present, some aspects that I think are important in the review carried out in this work and that deserve further study, a) In its first theme: “Financialization as a recurring historical process that marks the autumn (sunset) of hegemonic powers”. This idea is present in other works consulted and uses a thought-provoking analogy with the loss of hegemony of Italian cities at the end of the Middle Ages, when the importance of finance in the accumulation process increased. For example, Lapavistas attributes this interpretation to Arrighi, in the following terms.

Financialization represents the fall of hegemony as productive power diminishes and the sphere of finance expands. Genoa, Holland, Great Britain and the USA entered financialization when they lost their prominence in production and trade. In decline, they became creditors, especially to younger powers that emerged to overtake them (Lapavistas, 2011, p. 615-616).

In the case, there is a clear link with the US’s tendency to lose its leading role in the world economy and China’s growth, which has already been predicted for the next few years.

b) There is a need to integrate the concepts of financialization, globalization and neoliberalism in a more precise way, and also to include changes in the technical base in this analytical framework, the most widely used analytical category of which has been inserted digital capitalism or capitalism in the digital age.

In this regard, there is a very important debate that stems from the growing automation of production processes, with a clear increase in the organic composition of capital<sup>13</sup>, reducing the use of labor to the limit and, therefore, the extraction of surplus value, which means a structural crisis in the system of accumulation. One of the answers to this question is that the law of value would have its validity restricted to the period of industrial capitalism (Cf. Herscovici, 2015)

c) Finally, the observation that appears in various works showing that this process is taking place to the detriment of wages in the distribution of the product, which is consistent with the period of clear retraction in the world of work.

---

13 The organic composition of capital is the ratio between fixed capital, used for machinery and equipment, and total capital (fixed capital plus variable capital, used for wages). If investments in machinery and equipment increase, the organic composition of capital increases, but since the production of value is related to the appropriation of surplus value resulting from the use of variable capital, if this decreases, the rate of surplus value decreases, reducing profits.

In this way, using the concept of financialization allows us to grasp a dimension of the changes taking place in society with clear repercussions on education, that of the penetration of capital for profit in the area and the consequent oligopolization of supply, already quite clear in higher education in Brazil and accelerating in basic education, at the same time as these investments are “assetized” in different financial products.

However, there is another dimension, that of the change in the technical base, whose effects on education do not allow a clear understanding of its consequences yet, but have been greatly amplified by the COVID-19 pandemic and whose results have not been fully understood yet.

It seems to me that financialization makes it possible to understand what is happening in the field of education from the point of view of an effect of the general dynamics of capital that penetrates strongly into areas where it didn’t do so before, but it doesn’t explain the changes in the technical base, which is also strongly impacted by technological changes. This is certainly a field of research that needs to be explored in greater depth in order to gain a better understanding of the concept in the field of education.

## REFERENCES

AALBERS, Manuel B. Financialization. *In*: RICHARDSON, Douglas (Eds) et al. **The International Encyclopedia of Geography: people, the Earth, Environment, and Technology**. Oxford: Wiley, 2019, p. 1061-1071.

ARRIGHI, Giovanni. **The Long Twentieth Century: Money, Power, and the Origins of our Times**. New York: Verso, 1994.

BARAN, Paul A.; SWEEZY, Paul M. **Monopoly Capital: An Essay on the American Economic and Social Order**. First. New York: Monthly Review Press, 1966.

BRAGA, José Carlos de Souza. **A temporalidade da riqueza: teoria da dinâmica e financeirização do capitalismo**. Campinas, SP: IE-Unicamp, 2000 (Originalmente 1985). (Coleção de Teses). Disponível em: <https://www.eco.unicamp.br/images/Temporalidade-da-Riqueza-teoria-da-dinamica-e-financeirizacao-do-capitalismo.pdf>. Acesso em: 10 fev. 2024.

CHESNAIS, François (Org.). **A mundialização financeira: gênese, custos e riscos**. São Paulo: Xamã, 1998.



CHESNAIS, François. A proeminência da finança no seio do “capital em geral”, o capital fictício e o movimento contemporâneo de mundialização do capital. In: BRUNHOFF, S. *et al.* (Org.). **A finança capitalista**. São Paulo: Alameda, 2010, p. 95-182.

CHESNAIS, François. **A mundialização do capital**. São Paulo: Xamã, 1996.

CHESNAIS, François. O capital portador de juros: acumulação, internacionalização, efeitos econômicos e políticos. In: \_\_\_\_\_. **A finança mundializada** – raízes sociais e políticas, configuração, consequências. São Paulo: Boitempo, 2005, p. 35-67.

CORREA, Eugenia; VIDAL, Gregorio; MARSHALL, Wesley. Financialization in Mexico: Trajectory and Limits. **Journal of Post Keynesian Economics**, v. 35, n. 2, p. 255–275, 2012–2013. Disponível em: <https://doi.org/10.2753/PKE0160-3477350205> . Acesso em: 23 nov. 2023.

DE BERNIS, Gerad. **El Capitalismo Contemporáneo** (Contemporary Capitalism). Mexico City: Editorial Nuestro Tiempo, 1988.

ENGELN, Ewald. Crisis in Space: Ruminations on the Unevenness of Financialization and its Geographical Implications. **The Wiley-Blackwell Companion to Economic Geography**. Wiley & Sons, 2012, p. 242-257. Disponível em: <https://doi.org/10.1002/9781118384497.ch15> . Acesso em: 10 out. 2023.

EPSTEIN, Gerald (Ed.) **Financialization and the World Economy**. Cheltenham, UK: Edward Elgar, 2005.

FOSTER, John Bellamy. The Age of Monopoly-Finance Capital. **Monthly Review**, v. 61, n. 9, p. 1–13, 2010. Disponível em: <https://monthlyreview.org/2010/02/01/the-age-of-monopoly-finance-capital/> . Acesso em: 10 out. 2023.

FOSTER, John Bellamy; MAGDOFF, Fred. Financial Implosion and Stagnation: Back to the Real Economy. **Monthly Review**, v. 60, n. 7, p. 1–29, 2008. Disponível em: <https://monthlyreview.org/2008/12/01/financial-implosion-and-stagnation/> . Acesso em: 10 jan. 2023.

FOSTER, John Bellamy. The Financialization of accumulation. **Monthly Review**, v. 62, n. 5, p. 1-20, oct. 2010. Disponível em: <https://monthlyreview.org/2010/10/01/the-financialization-of-accumulation/> . Acesso em: 10 out. 2023

FOSTER, John Bellamy. The Financialization of Capitalism. **Monthly Review**, v. 58, n. 11, 2007. Disponível em: <http://monthlyreview.org/2007/04/01/the-financialization-of-capitalism>. Acesso em: 10 out. 2023.

GUTTMAN, Robert. **Finance-led capitalismo**: shadow banking, re-regulation, and the future of Global Markets. New York: Palgrave-Mcmillan, 2016.

GUTTMANN, Robert. Financialization revisited: the rise and fall of finance-led capitalismo. **Economia e Sociedade**, Campinas, v. 26, n. esp., p. 857-877, dez. 2017. Disponível em: <http://dx.doi.org/10.1590/1982-3533.2017v26n4art2> Acesso em: 11 ago. 2023.

GUVEN, Baris. **Marxist Explanations for Financialization**: A Critical Review, Center for Open Science, 2017. Disponível em: <https://osf.io/preprints/socarxiv/hd6pc> . Acesso em: 11 ago. 2023.

HENWOOD, Doug. What is Globalization, Anyway. **International Socialist Review, Globalization**: Myths and Realities. jun./jul, 2000. Disponível em <https://znetwork.org/zcommentary/what-is-globalization-anyway-by-doug-henwood/#:~:text=Doug%20Henwood%20If%20there%E2%80%99s%20one%20thing%20that%20analysts%20and%20activists>. Acesso em: 10 maio 2004.

HERSCOVICI, Alan. O “Capitalismo Imaterial”: Elementos para uma análise (socio) econômica. **Novos Estudos**. Ed. 102, v. 34, n. 2, p. 132-151, jul. 2015. Disponível em: <https://novosestudos.com.br/produto/edicao-102/#gsc.tab=0> . Acesso em: 15 fev. 2019.

HILFERDING, Rudolf. **O capital financeiro**. São Paulo: Abril Cultural, 1985. Col. Os Economistas.

KRIPPNER, Greta. The Financialization of the American Economy. **Socio-Economic Review** v. 3, n. 2, p. 173–208, 2005. Disponível em: <https://doi.org/10.1093/SER/mwi008> . Acesso em: 15 fev. 2019.

LAPAVITSAS, Costas. Financialised capitalism: crisis and financial expropriation. **Historical Materialism**, v. 17, n. 2, p. 114-148, 2009. Disponível em: <https://doi.org/10.1163/156920609X436153>. Acesso em: 15 fev. 2019.

LAPAVITSAS, Costas. **Profiting Without Producing: How Finance Exploits Us All**. London- New York: Verso, 2013.

LAPAVITSAS, Costas. Theorizing Financialization. **Work, Employment & Society**, v. 25, n. 4, p. 611–626, 2011. Disponível em: <https://doi.org/10.1177/0950017011419708> . Acesso em: 15 fev. 2019.

LAPAVITSAS, Costas; POWELL, Jell. Financialisation varied: a comparative analysis of advanced economies. **Cambridge Journal of Regions, Economy and Society**, v. 6, n. 3, p. 359–379, 2013. Disponível em: <https://doi.org/10.1093/cjres/rst019> . Acesso em: 15 fev. 2019.

LAPYDA, Ilan. **Introdução à financeirização**. São Paulo: CEFA Editorial, 2023.

LENIN, Vladimir Ilitch. **O Imperialismo: Etapa superior do Capitalismo**. Campinas: FE/Unicamp, 2011.

LUXEMBURGO, Rosa. **A Acumulação do Capital: Contribuição ao Estudo Econômico do Imperialismo**. Trad. Marijane Vieira Lisboa. 2 ed. Coleção Os Economistas. São Paulo: Nova Cultural, 1985.

MAGDOFF, Harry; SWEEZY, Paul. **Stagnation and the financial explosion**. New York: Monthly Review, 1987.

MAGDOFF, Harry; SWEEZY, Paul. M. **The dynamics of U.S. capitalism**. New York: Monthly Review Press, 1972.

MEHL, Ewaldo L. M. Do transistor ao Microprocessador. **Elétrica UFPR**. Disponível em [https://www.eletrica.ufpr.br/mehl/historia\\_transistor.pdf](https://www.eletrica.ufpr.br/mehl/historia_transistor.pdf) . Acesso em: 20 dez. 2023.

PALLUDETO, Alex Wilhans Antonio; FELIPINI, André Rodrigues. Panorama da literatura sobre a financeirização (1992-2017): uma abordagem bibliométrica. **Economia e Sociedade**, Campinas, v. 28, n. 2, p. 313-337, maio/ago. 2019. Disponível em: <https://periodicos.sbu.unicamp.br/ojs/index.php/ecos/article/view/8656961>. Acesso em: 20 dez. 2023.

PHILLIPS, Kevin. **Arrogant capital: Washington, Wall Street, and the Frustration of American Politics**. Boston, New York, Toronto, London, Back Bay Books, 1994.

PHILLIPS, Kevin. **Boiling Point**. New York: Random House 1993.

PIKETTY, Thomas. **O capital no século XXI**. Rio de Janeiro: Intrínseca, 2014.

PRADO, Eleutério F. S. Exame crítico da teoria a financeirização. **Crítica Marxista**, v. 21, n. 39, p. 13-34, 2014. Disponível em: <https://econtents.bc.unicamp.br/inpec/index.php/cma/article/view/19215>. Acesso em: 20 dez. 2023.

RAPPAPORT, Alfred. **Creating Shareholder Value: The New Standard for Business Performance**, New York: The Free Press, 1986.

SAWYER, Malcolm. **Financial development, financialization and economic growth**. Working Paper n. 21, FESSUD, Leeds, 2013. Disponível em: <https://fessud.org/wp-content/uploads/2013/04/Financialisation-and-growth-Sawyer-working-paper-21.pdf>. Acesso em: 20 dez. 2023.

SAWYER, Malcolm. What Is Financialization? **International Journal of Political Economy**, v. 42, n. 4, p. 5–18, Winter 2013–2014. Disponível em: <https://www.jstor.org/stable/24696306> . Acesso em: 20 dez. 2023.

STOCKHAMMER, Engelbert. Financialisation and the slowdown of accumulation. **Cambridge Journal of Economics**, v. 28, n. 5, p. 719-741. 2004. Disponível em: <https://doi.org/10.1093/cje/beh032>. Acesso em: 20 dez. 2023.

SWEEZY, Paul M. More (or Less) on Globalization? **Monthly Review**, v. 49, n. 4, p. 3-4, sep. 1997. Disponível em: <https://monthlyreview.org/1997/09/01/more-or-less-on-globalization/>. Acesso em: 23 nov. 2023.

SWEEZY, Paul M. The Triumph of Financial Capital.” **Monthly Review**, v. 46, n. 2, p. 1–7, 1994. Disponível em: <https://monthlyreview.org/1994/06/01/the-triumph-of-financial-capital/>. Acesso em: 23 nov. 2023.

SWEEZY, Paul M. Why Stagnation? **Monthly Review**, 34 (June), p. 1–10, 1982. Disponível em: <https://monthlyreview.org/2004/10/01/why-stagnation/>. Acesso em: 23 nov. 2023.

TOUSSAINT, Eric. Como usar o que nos diz Thomas Piketty em «O Capital no Século XXI». **Comitê para a Abolição das dívidas ilegítimas**. Disponível em: <https://www.cadtm.org/Como-usar-o-que-nos-diz-Thomas>. Acesso em 30 jun. 2024.

VERCELLI, Alessandro. Financialization in a Long-Run Perspective: An Evolutionary Approach. **International Journal of Political Economy**, v. 42, n. 4, p. 19-46, 2013. Disponível em: <https://doi.org/10.2753/IJP0891-1916420402>. Acesso em: 20 dez. 2023.

WUDIL, Adamu. Ahmed; MOHAMMAD, Rislanudeen. Brief Bibliometric Literature Survey on Financialization. **Journal of Economic Studies and Financial Research**, v. 4, n. 1, jan./jun., 2023. Disponível em: <https://doi.org/10.46610/JESFR.2023.v04i01.005>. Acesso em: 20 dez. 2023.

ZWAN, Natascha van der. Making sense of financialization. **Socio-Economic Review**. v. 12, n. 1, p. 99–129, jan. 2014. Disponível em: <https://doi.org/10.1093/ser/mwt020>. Acesso em: 20 dez. 2023.

## ABOUT THE AUTHORS

### Romualdo Portela de Oliveira

Retired Professor at FEUSP and Visiting Professor at the Postgraduate Program in Education at ICED/UFPA. He has an undergraduate degree in Mathematics, a master's, doctorate and habilitation in Education (all from FEUSP) and a post-doctorate from Cornell University (USA). He was Education Coordinator at Capes (2014-2018) and President of Anpae (2019-2023).

E-mail: [romualdo@usp.br](mailto:romualdo@usp.br)

*Received on: 26/05/2024*

*Approved on: 12/07/2024*