

# FROM THE TYPOLOGY OF FINANCIALIZATION TO A NEW ERA OF CAPITALISM

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## Abstract

This work pretends to introduce different concepts about the meaning of financialization in order to understand contemporary capitalism and its expressions. Among the views of political-*regulationniste*, structuralist, logic-historical and contemporaneous, the work should embody all their key factors to understand the phenomenon of financialization. In the end, this work aims to point out the views of financialization to reinforce the debate over the contemporary capitalism and its dynamics. The financialization is comprehended here as the absolute form of capitalism expressing itself through channels around the globalized economy. Therefore, under this financial turmoil started in Subprime crisis, is it possible to continue the same old economy framework? Is the society facing a shift of an era?

**Key-words:** Financialization; Capitalism; Finance Capital.

## Introduction

There are no precedents in history where the capitalism was such complex, scale and capillary system. In nowadays the expression of concrete and fictitious forms of capital are interconnected through the different economics agents around the globe. The mercantile capital, interest-bearing capital, fictitious and derivative capital are the receptacle of wealth and profitability, and, so for it, are served by the diverse and complex globalized financial systems promoting a supposed wealth efficient allocation. In the name of inter-capitalist concurrence, the diverse profitability transmission channels are in directly confrontation for profit and accumulation. Thus, the aim of this piece of work is to show how this framework enhances the globally power of the development of financialization in capitalism.

The financialization can be consider as a phenomenon of the maximum expression of capitalism related to the different forms of capital. According to Braga (1985), “*the financialization is a wealth systemic pattern*”, and this systemic character is exactly the understanding that it is not a matter of choice among the economic agents, but the rule of the game; the word “pattern” reinforces the rule character. Still according Braga (1985), “the valuation and concurrence operate under the

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dominance of a financial logic”. The historical-logical character of the phenomenon is comprehended through the intuition and investigation of capitalism process into the diverse economic agents. It cannot be denied the participation, even bigger and systemic of the families, companies and States in the financial game, which the pension funds, stock markets, derivative markets, debts markets, and public bonds markets with public debt, are the specific but not exclusive channels of each different economic class playing in capitalism.

It is a fact that capitalism situates in a unique historical and logical moment, although the divergence of concept among authors, even among those who share the problematic view of financialization in capitalism. Therefore, this article moves forward, introducing a thinking of a new era in capitalism, the crisis era. This way of thinking the capitalism is a result of the convergence between the financial hegemony expressed by finance capital, in Hilferding’s terms (1985) and a disruption state of profitability and centralization on productive capital. In Marxian terms, the capital limits itself while it is a contradiction in process and dynamic (Mazzuchelli, 1985); and the approximation of this limit is stipulated, here, as the beginning of the crisis era. Whereas this system presents a high concentration of its own contradictions, the question now heads to the capability of capitalism system to, one more time, renew itself; or, on the other hand, if the endogenous forces will succeed to overcome it.

The present article is divided in five parts. Beyond this brief introduction, there is a part that will discuss the different visions of financialization concept and its main representatives. The third part argues about this new crisis era and the convergence of contradictions into the financial apogee; next to it, the article argues about the impacts of this view of contemporaneous capitalism in the diverse social, political and economic classes. In the very end, the article finishes with some posterior thoughts and conclusions.

### **A typology for financialization concept**

Nowadays it is possible to find in some rare dictionaries the definition of financialization. And in most of them, the concept is presented as a phenomenon of financial sector over the others sectors. For example, this kind of definition is in the UNESP dictionary of contemporaneous Portuguese (Borba and Longo, 2005). Financialized is the act of finance itself, and according to Cunha (2010), from the etymological point of view, can be interpreted as the act of ending a debt, in other words, liquidate a debt. The word finance is derived from the medieval French *finance*, that in turn derives from Latin *finis*, which means: “*frontier, limit, end...*” (Cunha, 2010).

However, this concept of financialization clearly is not enough to its full comprehension. There would have gratitude for all, if the meaning of words and expressions could be easily founded in dictionaries, or using the etymology for it. The meaning, in the end, is essentially a tool for

understanding, but the comprehension evolves facts, theories, social acceptance in which are represented in the word or phrase. Thus, financialization is one of the case where it is necessary a deeper and cautious analysis about its meaning. Essentially this will be the objective of this part.

A number of authors have been using the expression financialization to designate a particular or general aspect of capitalism. The dictionary meaning is specific one of these particular aspect. From the economic perspective, the meaning from the dictionary simply consider the financialization as a particular choice of portfolios among the capitalists. In other words, the capitalistic wealth is becoming more rapidly financialized, than the production and commercial world expansion; the idea to only represent a competitive increase among sectors is not enough to comprehend the concept totality.

The views that will be presented in the next paragraphs have clear divergences about the concept, serving it as ground to the argument for the typology exercise. Nevertheless, some convergences are easily identified and worth to mention. First of all, in fact, all views have the common sense to consider the phenomenon of financialization a problem to the capitalist system; also, all understand clearly the financialization as a phenomenon of combination amongst historical development, logical, political and social of the system, therefore, the divergences among the views are in the comprehension of the influences and impacts into the capitalist society. Finally, the views converge, also, in the attempt to understand the contemporaneous capitalism, and, even in different ways, to point out a solution.

This exercise of typology is not unprecedented. Epstein (2005) has organized a relatively known book entitled: "Financialization and the World Economy". The aim of his book was to organize a several opinions around the theme, and it different expressions. According to Epstein the best definition to financialization was made by Krippner (2004), in which the financialization can be defined as a pattern of accumulation where the profit occurs more often through financial streams, than productive streams and its trades. Undoubtedly, the concept of financialization that compares financial sector and the real sector is usually accept as a common sense. The dictionary definition above is way closer to the Krippner's. This definition has in its core a clear division between financial and real spheres in capitalism, that's why these authors are named **structuralists**.

They analyze the financialization as a phenomenon where it was modified, through the development of capital and forces (political and economical), the fundamentals basis of accumulation and profitability of capitalist wealth. They think that capitalist agents choose its owns forms of profitability led to a systematic structure. Epstein (2005), for example, defines financialization as: "*...for us, financialization means an increasing role of financial motives, financial markets, financial actors and financial institutions in the operation of the domestic and international economies*". Palley (2007) and Stockhammer (2012) indicate to the same dichotomy between financial and real sector.

Both authors credit to the liberalizing politics and deregulation of economy a key role to the formation of what they call financialization. In this context financialization is a movement of agents in a given sector, overlapping others sectors such as production or commercial, through structural shifts. In other words, for the structuralist, it was the political and economic structural changing that disconnected the capitalist class and made appear the financialization phenomenon. For the critique exposed here, this concept is wide and superficial, because it lacks of deep theoretical basis about capitalism *modus operandi*.

Arrighi 1994 work is constantly quoted by the structuralist when they discuss the first to formulate the financialization concept. However, we understand here, that Arrighi's term is way more deep and distant from the structuralist concept. Arrighi concepts can be defined as more historical and sociological than the structuralist, mainly because it was based in Braudel's work. For Arrighi (1994) the financial expansion is a maturity symptom of capitalism system. In his book "The Long Twentieth Century", he cites different periods in history where financialization was noticed in capitalism, like the event in the 16<sup>th</sup> century in Holland, commonly called "Dutch Disease", or into the Italian oligarchy banking development in Genoa. Those periodical mentions can be found also in Guillén (2014), without any sort of separation between real and financial sectors though.

A different view of the concept which is definitely unique about financialization can be named **political-regulationist**. The major exponent of this stream is François Chesnais, as he signs a countless works about the theme; including the elaboration of *mondialisation financière* term (something like world finance phenomenon). For those whom are placed inside the political-regulationist, the financialization is a manifestation of neo-liberal capitalism. The phenomenon is faced as the movement of financial accumulation regime in which it is considered a particular step on imperialism stage; which means a unique comprehension of this group regarding financialization: a matter of intern political power domination expressed by finance capital (Chesnais, 2003). There is a dominance of the financial sector over the others (State, non-financial companies and households) characterizing the hegemony of the financial markets under custody of Central Banks (Orléans, 2000). The profits from the households and non-financial companies were dominated by the finance (or, financialized), according to Chesnais (2004).

The application of history field is something that all different views, in different weights though, uses. However, for the political-regulationist, it is clear who have the guilt for the consequences effects of financialization and the solutions to reverse. Aglietta (2005) writes about a patrimonial accumulation regime in which its movement is an expression of financialization completely. Guttmann (1994), Plihon (1994) and Boyer (2000) are emphatic to point to the liberalizing policies all over the 70s, as the end of Bretton-Woods and Volcker spiraling interest rates, as the cause of the capitalist instability, globalized financial expansion and the emerging of financial

accumulation regime. For these authors the contemporaneous capitalism is a system where finance command its actions, calling this phenomenon as “*finance-led capitalism*”. It is common to find the words “liberal turn around” or “deregulated policies” in their works. For Guttman (ibid.) the capitalism commanded by finance is the ultimate expression of fictitious capital, in Marx terms, ruling all capitalist agent actions. As part of French regulationist school, the political-regulationist believe that economic multi-lateral institutions as BIS, IMF and World Bank, summing the national and regional macro-prudential polices, should control and manage the finance capital, in order to mitigate financialized capitalism instabilities.

Nesvetailova (2013), in order to organize the concept of financialization, has introduced a micro view that she calls the **contemporaneous**. They have a vision of micro financial and prone business concept of financialization, mainly marked by the non-financial sectors development inside the financial markets from the point of view of stakeholders interests. Froud et al. (2000) have a seminal work about the contemporaneous view treating specifically about management culture, governance, stockholder interests, the firm performance and intra national competition under the demand of finance capital. There is an understanding that financialization is the combination resulting of an energetic merger & acquisition market negotiating the fair value and the market value into, specifically, the stock market in USA (Andersson et al., 2008). For these authors financialization indicates, also, a financial pressure on managers to obtain profit. This is interesting, because Sefarti (1994), among others French regulationist, already indicates the same financialized behavior from the managers inside the largest French companies. In his opinion, this environment destabilizes the capitalism system, at the same time that strengthen the pressure to obtain financial value results, creating a prone-risk attitude. “*The earnings obligation conducts the groups to, not only, intervene permanently in the exchange markets, but to develop speculative attitude*” (Sefarti, 1994).

The contemporaneous have a microeconomic vision of financialization which alert the negative consequences of a prone managerial system towards only to stock value. For them this kind of pattern is problematic in a way that transforms the social and economic goal of corporation foundations, like to invest in innovations and sustain competitiveness (Andersson et al., 2008). Finally, the contemporaneous defend that financialization is leading the company strategies in both financial and productive sectors. Specially in this point, they diverge from structuralist when they refuse any distinction between sectors.

“*The financialization is the systemic pattern of wealth*”. Those words summarize the concept of other great exponent into the academy, where one of the greatest thinkers is José Carlos Braga (1997). He begins a paper entitled “Global Financialization: a systemic pattern of wealth in contemporaneous capitalism” (ibid.), with those words. Braga was the first to use the word financialization, as far as we know, when he elaborates the concept in his PhD thesis, in 1985.

According to him, it was Maria da Conceição Tavares and Luiz Gonzaga Belluzzo, the latter his thesis advisor, that were his academic inspirations on the financialization concept and thoughts. For those, the financialization concept is the **logical-historical** view. The logical view is due the *modus operandi* of capitalism system, in other words, is inherently to the system the finance manifestations through various channels. The historical comes from the point of view that they consider the social construction all over the history a key that shaped contemporaneous capitalism. For those, the contemporaneous capitalism is a collection of actions resulting from its own logic, in which the history trajectory, in decades, developed the different forms of capital.

This view makes directly reference to Marx and in the interpretation of capitalism by Hilferding. The finance capital, understood as a combination of different capital (banking and industry), is hegemonic in the system when its logic is to profit and accumulate through various channels. The logical construction is the relation among the different economic agents inside the capitalism *modus operandi*; and the finance capital is the ultimate face of capitalism. According to Belluzzo (2013), there is not any kind of determinist in capitalism system, it is, in fact, a social construction between labor and value, based mainly in the ideas from Marx and Lukács. Before any financialization debate, which can be dated to the 90s, Tavares and Belluzzo (1984) have made a paper describing the prices logic into Brazilian debt crisis of 80s, including the role of finance into the definition of prices. They were worried about the hyperinflation and the influence of finance in Brazilian crisis. This paper is one of the first manifestation, at least in Brazil, of financialization inside the capitalism dynamic.

*“The components of price equation, which correspond only to speculative valuation of capitalistic wealth, are now self-govern from the productive valuation conditions, representing the peculiar face of this crisis. The ways of capital valuation are, indeed, purely speculative, but into the unstable monetary and exchange ambient the capital did not find any asset to rest. The rentier feature of capitalist wealth prevails over its productive feature, which makes that a substantive part of production costs is estimated with a larger amount of margin. Therefore, both previous and expected inflation are imbedded into prospective calculus, at least in the traditional notion of supply flows and moreover for the stocks and capital values. Thus, the real primary costs could be falling (oil, raw material, salaries) and the inflation would be fed by the instability from capitalism valuation aspects, expressed through fluctuation in interest rates, exchange rates and profit margins.”* (Tavares e Belluzzo, 1984).

Summarizing, they alert that prices inflation in Brazil has a financial component besides any relation with productive or commercial sector. However, it is very important to see that they are not

trying to separate both sectors, but to consider in this capitalist system, that capital is autonomous. The capital autonomy is understood as the key for the logical-historical concept of financialization. Braga (1985) appeals constantly to what he calls financial macrostructure. This environment in space and time is independent of productive and financial sectors of capital valuation and profitability. The manifestations of this macrostructure have been seen in the behavior of monetary market participants, like: households, companies and the State. The wealth valuation became financialized when its definition is the assemble of money-credit-patrimony assets; its management has place in the financial macrostructure; and its expression results in money and financial assets.

It is essential to notice that for those whom are in this tradition, the capitalist system has latent contradictions expressed through financialization. Tavares (1972) and Belluzzo & Coutinho (1998) enlightened the debate when exacerbate the capitalist contradictions into financial hegemony. Tavares are particularly worried with the contradictions between the nature of economic and financial development in Brazil, while the others are handling with a contradiction between economic growth and financial assets management. The assets are no longer a residue (savings for the Keynesians), but a permanent status of wealth management (Belluzzo e Coutinho, 1998). This is the macrostructure in space in time serving as repository for capital finance.

Prado (2005) was a Brazilian author, under the typology argument, who criticizes a few views about financialization; standing in a one view that he considers more complete. For him: “...*the financialization indicates a capitalist system that reached its supreme performance in history course*”. Explicitly we can see the logical-historical relation into the author view, collaborating with the latter cited above. Besides that, an interpretation made from his view stands from Marx point of view of finance capital, expressing its supreme forms of value and refuting, always, a view of financialization as a mere distortion of capitalist dynamic. The financialization is not a just part of the system, it is the system itself in this logical and historical construction in contemporaneous capitalism. However, Prado has some remarkable differences with Braga view, mostly about his understanding on value theory in a Marxian perspective. He considers the value theory as the labor exploitation theory to comprehend financialization, and in his point of view, Braga is not very careful about this particularly theory.

### **An era of crisis and the financial apogee in capitalism**

The capitalist transformations during the lasts 50 years collaborate to a logical and structural vision that strengthen its contradictions. The phenomenon of financialization links all relations among capitalist agents: households, companies and State, creating a massive financial structure. This is the pattern of contemporaneous capitalism, where in the end there is a more unstable, complex and contradictory system. Through finance capital, as the supreme form of capital, the system has strong

basis of resilience from regulations. It is not plausible, any more, to control and regulate the capitalism, like was in *trente glorieuses*.

The financial crisis of 2008 (Subprime crisis), as a mark of the financial apogee in global scale, was a demonstration of the financialized capitalism capacity. In the 90s a numerous of rules were modified arguing efficiency under the pressure of finance capital represented by investment banks of Wall Street; soon the financial agents party begun. The capital has the essence and capacity to create prosperity and growth, after all, its use-value is to create exchange-value, at the same time that creates the seeds of its own instability. For example, the capital is the limit of itself is an idea present in Harvey's book (2013), among others Marxists. The capital contradict itself when push away your valuation basis, the human labor, and then to accumulate and profit into more and more fragile basis and distant of its value genesis (Belluzzo, 1987). The capital just needs an environment that promote the relationship between the agents, and in Subprime crisis of 2008, the ambience choose was the US real estate market.

Minsky (1992) already pointed out to the ability of capital to prosper at the same time that creates its own basis for instability. The financial instability hypothesis (FIH) from Minsky is an understanding that financial system is a vital and contradictory part of capitalism. From Keynes, Minsky elaborates: "*The theoretical argument of financial instability hypothesis begins to consider the capitalist economy as a numerous of expensive, complex and sophisticate capital assets*". What worried Minsky was the relationship between assets and liabilities in financial system, and how the distinction periods between debt payments and recommence of new investments, are destabilizing the financial system, and then the whole capitalist system. The decision of capitalist investment, according to Deos (1997), is necessarily a speculative decision where two sides, which are inherently unstable, are put as a unique part of the process. A financial system more and more global, centralized and powerful, are inherently unstable. The system limit was tested in 2008 financial crisis, and nothing or almost nothing was done to avoid another financial crisis. From now on this system will be constantly in crisis, unless a radical change takes place.

We need to consider that crisis, necessarily, supposes a malfunction of the systemic pattern. Indeed, the attempt to temporalize the actual pattern is an exercise to understand that capitalism, which promotes the greatest technological advances, will not function so efficient while financialization is the systemic pattern (Braga, 1990; 1993). The marvelous innovations are now financialized, the communication and internet serve the finance, and the productive sector is financialized. That's the meaning of the systemic pattern replacing the last pattern. Further, it is necessary to point that contemporaneous capitalism, has not exclusivity in presenting the phenomenon of financialization, because there were others periods in modern society where financialization was presented (Guillén, 2014; Fasianos et al. 2016). Nevertheless, contemporary



capitalism is nearest of its own limit than ever before, which can be interpreted by a constant upsurge of its forms (crisis), which enlarge its complexity. In another epoch the financialized capital was confronted by the resilient capacity of the capital itself, when finding others places and environment to gain profitability and accumulation. However, nowadays, its resilience is inside the financial macrostructure. In the end is a choice of wealth valuation, which is more and more financialized. This movement exposes the contradiction nature of capitalist system, and thus, its capacity to generate and reinvent crisis.

The 2008 financial crisis can be claimed as a cornerstone of an financialized era in capitalism. This systemic pattern is the definition, generation and execution of wealth, and is the basis for what we call an era of crisis. The crises will be the expressions of the problematic in which the financial hegemony imposes to capitalist system and its agents. The impacts in households, companies and States will be, factual, forms of creation and destruction of values, which destabilize the foundations of modern society. Those crises will be intermittent and even more bigger, if the leniency still exists between its actors and finance capital.

### **The expressions of financialized capitalism**

Analyzing the impacts of this “new” systemic wealth pattern imposing to society, we should consider the endogenous nature of the phenomenon. There is no space, in our point of view, to a dichotomy between Dante and Unicorn. This process refers to a logical and historical construction of the capitalist system; then there is absolutely no such thing as good capital and bad capital.

The interests of capitalist agents to profit its own wealth beyond production is a result of a decision considering its own interests, most of the time visualizing a better social and economic position in a society endorsing this behavior. The rule of the games are not being broken, just modifying and developed all the time, this is the dialectic think of Marx. The debate in this part of paper are about specific visions over the different expressions in modern society in relation to this “new” form of capitalism (which is the same, by the way).

The households in capitalist ambiance can be divided simply by those who hire, and those who are hired. The exploitation relation has as root the accumulation and centrality of more capital extracted from the tension between value and labor. The financial hegemony capitalism impacts in households results in precarious labor and social inequality inherent to the system, which is, in our point of view, described in the book: “21<sup>st</sup> century capital” of Piketty (2013), and also in the paper of Valda and Pergher (2014), among others. The inflexion of wealth distribution is a description of financialization process in the core of households, and the financial yields growing in a faster rhythm than salaries, impacts severely the labor relation and distribution. According to Husson (2010), there

is an illusion in financial enrichment of households standing in finance ambience and the closeness of family budget to finance venture; this closeness is motivated by the greed to obtain a larger profit rate. The dynamic imposed from the different forms and places of profitability represents the increasing of concurrence in relation to labor exploitation. The openness of possibility for the family budget to make profit into financial sphere intensify capital contradiction into household.

Further, the relationship between company management and finance is an old matter of study. Since Hobson in the end of 19<sup>th</sup> century through his book: “The evolution of modern capitalism”, a historical piece of work, this matter is important in capitalism. The author was observing the movements of the greatest industry and financial conglomerate in USA and wrote about its behavior in a financial structure through convergence in banking and industrial sectors. Rudolph Hilferding made a similar analysis from German capitalism point of view, although he used the dialectic of Marx. He introduces through the “Finance Capital”, his book, some similitudes with Hobson’s work. Both authors were analyzing the practices inside the companies that affects its way of management. The contemporaneous view of financialization, cited above, relies in the same principle when they point the diverse and spontaneous forms of financial hegemony in the non-financial corporate core. The productive performance of the companies begins to become financialized and command by the financial value. In the end, what matters is the stock prices and the dividends, because they represent, most of the time, part of staff gain.

Sefarti (1994) emphasize the character of capital folding inside the great French companies: “...*the capital in movement seems to split: besides the productive capital serving to production and labor, exists, now, another form of capital behaving to property rights and credit...*”. The company management points to a financialization in the assets allocation and its choices, all of that embraced by the relation between profitability and pressure under valuation form.

In Brazil is common to see great non-financial companies participating, heavily, into financial markets. For example, two major companies from the food industry and cellulose had huge losses in derivatives products after the burst of Subprime crisis. They bet against exchange rates through derivatives products aiming huge capital gains, but when the crisis arrived they saw itself in financial turmoil. Those are real forms of financialization expressions, and with the openness of numerous financial places to capital profit, the endogenous contradiction shows it face.

The financial innovations arising in every capitalist sectors represent the finance character which the agents are placed. The increasing number of IPOs and stock shares are tools that implemented a new entrepreneur logic. We share here a Plihon’s vision, where there are basically two reasons to public offering: i) to finance through external resources its expansion; or ii) the adaptation behavior to protect the companies from a tendency of acquisitions (Plihon, 2004). The constant movement character of companies, due to the concurrence ambience, makes pressure to a

constantly expansion, justifying the extension of its capacity to make profit in other environment than productive. This movement collaborates to a pressure view over stockholder value inside the manager performance; characteristic that Sefarti (1994) and the contemporaneous pointed out.

The relationship between capital and State was of leniency, and now is subservience, according to Harvey (2003). The finance capital did not spare any capitalist society actor, and the State it is not an exception. Beyond the theoretical discussion about the role of the State, from a social ambience of republican and democratic construction point of view, the State institution, for some authors, serve exclusively to the capital. According to Harvey (ibid.): “*They have to protect themselves in environments that may not recognize or accept their rules and ways of doing business*”, in other words, it just capitalist interests over States interests. From the moment when capitalist business is financialized, through the “new” systemic wealth pattern, the financialization of the State shows the same old dominance. The major formal channel where finance and State are linked, is the public debt management. Amplifying as another capital valuation channel, where in some time is more profitable to have a public debt than invest to production expansion (Tavares, 1972).

The prominence of the contradictory relation between financial and productive sectors, which always was presented in the capitalist logic, has directly participation in the introduction of State management through debts. All the economies in the world have debts, this is part of its own macroeconomics dynamics and fiscal and monetary policies; however, at the same time that debts are an interesting channel of investment in State, it is a trapping channel of finance capital logic. Palley is one of the authors that understood the subordination logic of capital over State, he wrote a paper about the company lobbies present into the political and economic system in USA. According to him, the financialization stablish a new business cycle based on debts and assets valuation focus; if in the past the governments have the aim to maintains jobs, nowadays are the assets prices that capture its attention (Palley, 2007).

A Belgium Marxist author called Mandel, in 1977, wrote an article about the relationship between State and capitalism from Marxist tradition, “The Marxist Theory of State”. Although many other authors declared that Marx did not wrote much about the State, Mandel goes beyond the common sense and present a logic version for it. For him the State subordinating to a social class is not exclusivity to the financialized capitalism, nevertheless is a construction based on labor division and the classes society into capitalism birth. There was no State in the primitive societies, the laws and rights were conquered individually, and only with the introduction of social classes that State was necessary and starts to represent, exclusively, one class, and for Marx the State always will serve the bourgeois class (dominant). The public debt, to Mandel, is a domination form from a class over the State, and in a financialized society, it is the financial class that subordinate the State. Therefore, from our point of view, the financialization reaches all social extracts that generate and materialize

wealth, so the State should serve directly all of these groups; the domination, thus, is not just from a specific class, but to the finance capital in its totality expressed in different actors. The State is necessary to the system, because there are interests conflicts endogenous to the classes, and then, he must serve the dominant class. If the economic and social domination of contemporaneous capitalism comes from financialization, by definition we infer that State is also financialized.

### **Final remarks**

The attempt to construct the actual capitalist dynamic has as principle the understanding of the financialization term from diverse research groups point of view. Here we make a *mea culpa* for any negligence to an important exponent about financialization; in fact, this an under construction work that has conscience that can and will be improved. The typology is a form to organize, even superficially, the debate about the *modus operandi* of contemporaneous capitalism, in a way that there is absolutely not any will to diminish the different views.

The structuralist view is understood as a view that gives more importance to economic agent decisions in capitalism, than to the capitalism dynamic. It advances in important remarks, mainly in empiric field analyzing the finance advancing over the other economics sectors. The sin, if we have the permission, is in the negligence on the way of being of capitalism. On the other side, the political-regulationists are interesting in the formation of financial accumulation regime, which is mainly a political aspect. The determinism shared of this view is more latent than the others, and the acceptance that there is a construction only made by policies, in a way that men did it, so men can undo it, is remarkable.

The contemporaneous have a more specific view about financialization, and its interests are more focus in the advance of finance over the other sector in capitalism. Nevertheless, they are aside the common vision of sectors separations, and for those who share their view it is just a matter of concurrence into the managerial corporates which impose a numerous of complex question about assets values and entrepreneur wealth management. In the end, we understand that logical-historical view is the most complete and elucidative view of financialization. The exponents like Braga, Belluzzo, Tavares, Prado and further, admit that contemporaneous capitalism has a logical profitability pattern that passes, necessarily, through a financial structure. There is not a question of separation of sectors, liberalizing policies or company management, in fact capitalism has the valuation logic to value itself. If the capital has the opportunity to value itself without pass to the “Calvary” of production, why not? It is part of its logic. In other words, it just a matter of decision of whom possess the capital, forming its economics relations to value their own wealth in the diverse existing places. For this objective, they can even ignore the capital genesis, the labor (and production).

An era of crisis in capitalism is represented by financial hegemony and its relation with capitalist actors, as the households, companies or State. It is about the supreme expression of system contradictions in a complex and hard to reverse way. Pointing to a shift era must suppose that economic pattern of this society reaches an irreversible level. This financialized ambience to manage wealth is comprehended here as an open season of capitalist crisis. The reflections on social and economics interactions is an object of numerous papers that collaborate with this one, and even will serve as material for an extension. The relation between family budget and financial decisions of allocation; the entrepreneur decisions modifying his productive logic, finding in finance a way to survive in a hostile concurrence ambient; and the State as representative of a class that only reflects its own financialized interests, whether through public debts, whether through the pressure on lack of regulation to prevent financial valuation, strengthen the debate.

Finally, we leave a provocative question. Will contemporaneous capitalism know to reinvent itself, or will it be overcome? It is not tolerable to a society that exploitation, inequality, instability, uncertainty and fear, lives side by side with an inherently prone-crisis system. Or we find a solution where capital will be managed in a more constructive logic way, bringing more moderate relations between capital and labor; or, at last, we will see the overcome of a system that had born problematic, though partially succeed.

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