

---

# Is the Financialisation Hypothesis an explanatory breakthrough for Marxist Political Economy?

Stavros Mavroudeas\*<sup>1</sup>

<sup>1</sup>Panteion University – Grèce

## Résumé

The argument that contemporary capitalism is radically transformed (entering a new stage or a completely new system) because finance came to dominate the whole system is a popular tenet not only in Heterodox but also in Mainstream Economics. This is a hypothesis that is considered within Heterodox Economics as indisputable. Furthermore, it is believed that it offers a radical critique of the prevailing socio-economic system and a useful guide to political action against it. This paper disputes both the explanatory validity and the political usefulness of the Financialisation Hypothesis and argues that, instead of enlightening, it misconceives the actual workings of modern capitalism leading to an explanatory blind alley. The FH essentially subverts the total circuit of capital by positing circulation (instead of production) at its center. Furthermore, it either downgrades or explicitly rejects the production-centered surplus-value exploitation mechanism in favour of a problematic circulation-based expropriation mechanism. Thus, it, implicitly or explicitly, leads to a different from typical capitalism's class structure which is both analytically and empirically erroneous. The financial system's ballooning during the recent decades of weak profitability and accumulation does not constitute a new stage, let alone a new capitalism. The increased use of fictitious capital operations is a well-known capitalist reaction in periods of weak profitability. The creation of new financial instruments represent new special forms of appearance of this usual capitalist process. The Marxist theory of crisis and fictitious capital offers an analytically and empirically superior understanding of this process compared to either the post-Keynesian (rentier vs capitalist) or the Marxisant (new exploitation mechanisms etc.) versions of the Financialisation Hypothesis.

**Mots-Clés:** financialisation, Marxism, stages, classes, fictitious capital

---

\*Intervenant