
Variegated financialisation and pension fund asset demand: the case of Colombia and Peru

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Abstract

In several emerging economies, private pension funds have grown to become important owners of financial assets. Despite this, and despite their frequent mention as one key aspect of financialisation, careful articulation and analysis of the processes by which they affect and are affected by both the capital markets and the broader economic circumstances of those countries has not been undertaken. Through exploratory case study research we look into the experiences of Colombia and Peru, analysing the period from the pension reforms of the 1990s to the present day, focusing in particular on the evolution of pension fund demand for different financial assets. Drawing on Post Keynesian and comparative political economy theoretical traditions, we form the conjecture that the key factors to explain evolving asset demand are: 1) the particular institutional context of ‘hierarchical market economies’, 2) the extraverted growth regime and 3) subordinate financial integration. The resulting demand is shaping a particular form of financialisation beyond domestic capital markets

Keywords: variegated financialisation, pension funds, emerging economies

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