

# Some insights from the FESSUD project

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## The FESSUD project

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An EU funded (under FP7) project on Financialisation Economy Society and Sustainable Development (Grant no.:266800)

A five year project ending in November 2016 involving 15 partner institutions, 8 million euro funding, 100 person years of research work, producing over 250 papers and reports

Web-site: [fessud.eu](http://fessud.eu)

# Financialisation

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Financialisation: a contested concept

Our studies focused on financialisation in terms of the growing scale and power of the financial sector, nationally and globally, and the roles of the financial sector in economy, society, polity and environment.

Focus was on processes of financialisation in the past four decades

Financialisation operated on a near global scale

## Financialisation

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Rapid increase in size of financial sector as measured by, e.g. bank deposits to GDP, stock market valuation to GDP

Rise of securitisation, derivatives etc.

Importance of the rise of household debt (as well as household assets)

Variegated financialisation: financialisation has been near universal though proceeding at different speeds and precise forms varying.

## Economic performance

In industrialised economies, financialisation has **not** been associated with faster growth but rather slower growth.

Substantial body of work which suggests that the previously found positive relationship between scale of the financial sector and growth has been reversed.

Financial deepening had been anticipated to encourage savings, link together savings and investment, and monitor allocation of funds to investment.

Nature of growth of financial activities – household debt, growth of securitisation etc., -- not conducive to encouraging growth

## Remark on the future

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The need for diversity of financial institutions, and revival of development banks, regional, mutual organisations

Looking ahead (with regard to what has happened since the financial crisis) ask: has finance 'peaked'?