

Financialisation or the Management Philosophy of Globalism

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Thoughts on debt servicing and on the changed role of the financial sector and the state

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Summary: The philosophy of globalism is neoliberalism. It has become prevalent due to the financialisation of the economy. During the twenty-five years of the so-called Fordist growth regime the interests of the real sector were served by the financial sector. This situation has changed in the last few decades. The financial sector has become the ruling force. Both the macro and the micro economy have become dependent on financing. The reasons for this include general indebtedness and the incentive system of modern managers. Financialisation has brought about changes both in macro-level and micro-level management. The interests of management are linked to asset growth. Competing individuals see themselves as human capital. They control themselves within the company and can be outsourced. Outsourcing turns hierarchical relations into horizontal ones. As a result, however, employees become more defenceless and solidarity among employees diminishes considerably. The underlying principle of good governance in macromanagement is that the state is one of the market players seeking maximal efficiency. Neoliberalism does not intend to reduce or overshadow the role of the state but it wants to change the state's role. This changing role essentially means reforms aimed at reducing expenditure along with strengthening the regulatory role of the state. Their main task is to ensure that the highly indebted state can pay all its debts to the financial sector at all times.

Keywords: neoliberalism, financialisation, indebtedness, human capital, managers' interests, good governance

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