

Title: Shareholder value and the finance-dominated accumulation regime

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Abstract

Financialization has figured prominently in recent explanations of current changes in post-fordist society and, more specifically, of the slowdown accumulation since the Golden Age. Financialization, economically speaking, denotes the rising importance of interest and dividend income. Politically it corresponds to the increased power of finance capital or the rentiers class. The various theories developed (eg. by Chesnais, Williams & Co, Dumenil and Levy, Stockhammer) differ on how financialization impacts on the economy. The paper seeks to develop a simple macroeconomic model to discuss and contrast different versions of the financialization story. The model will be based on Kaleckian-Marxian macroeconomics and will aim at addressing how financialization helps to solve two complementary complementary puzzles. First, why has increased profitability not lead to an increase in investment? Second, how can high profits be realized with low investment expenditures?