

**Finance Capital and Contemporary Financialization with Special Reference to India****Nilanjan Ghosh**

Senior Research Fellow

Department of Economics, University of Kalyani, India

[nilanjannet2018@gmail.com](mailto:nilanjannet2018@gmail.com)**Byasdeb Dasgupta**

Professor and Director

Institute of Development Studies Kolkata (IDSK), Kolkata, India

[byasdeb@gmail.com](mailto:byasdeb@gmail.com)**Abstract**

*The concept of financialization has become increasingly important in the context of economic liberalization programme since 1970s in various parts of the world which include the global South. In India such programme was initiated in 1991 and which is still continuing since then. The proposed paper studies the complex dynamics of finance capital and neoliberal financialization, particularly in emerging economies like India. It will address the structural transformations in advanced and emerging markets during the post-crisis era, supported by empirical evidence from the Indian economy. Additionally, the paper explores the concept of financial subordination and its impact on deepening financialization in emerging markets. Finally, it investigates the complex and contradictory relationship between the growth of finance and productive labour processes, highlighting the dialectical relation between financial expansion and labour exploitation.*

**Keywords:** Finance capital, Financialization, Financial subordination, Capitalist exploitation, Neoliberalism

**JEL Classification:** B14, B24, P16

**1. Introduction**

This paper studies the financialization of the capitalist accumulation process in contemporary economies, with a specific focus on India which is marked by the prevalent interest of finance in almost all spheres of social and economic life in a country. In this paper, our primary concern is with the peripheral South. By financialization we mean “a new stage of capitalist development in which the financial sphere, through key changes in the behaviour of the main economic agents (banks, non-financial companies and households), has acquired a higher prominence.” (Painceira 2022, 9) In other words, financialized development signifies a persistent trend toward the growth of the financial superstructure relative to the economic base. (Foster & Mcchesney 2012). Describing this partial and nonlinear economic process using reductionist and structural definitions is challenging because of its inherent complexity. It is a multifaceted concept marked by several contradictory aspects. However, all these facets are interconnected and linked to the widespread influence and integration of monopoly-finance capital (M-M') over other forms of capital (M-C..P..C'-M' and M-C-M') globally. One palpable outcome of these structural changes is that the macroeconomic system has shifted its

focus from long-term production to short-term speculative finance. This metamorphosis in the structural paradigm signifies a prioritization of immediate short-term speculative gains over long-term stability and real growth. This dynamic results in a financial boom even during periods of economic shrinkage, which is very much evident in the post-pandemic scenario<sup>1</sup>. As a result, many countries around the world are grappling with the complexities of a progressive financial sector boom during periods of real-economy downturn or stagnation. Sen (2021, 20) went into deeper detail regarding these complexities between real and financial: "That an upsurge in financial activities does not necessarily contribute to real activities (in terms of generation of output or employment) can be figured out easily if one recalls the fact that gains realized in the financial sector, say as capital gains obtained on the stock exchange, stands as a mere transfer between two parties. Transacted as the sale of a stock, unlike those with initial primary offers (IPOs), these gains do not generate real activity." Marx's "Capital," Volume III, Section V, argued that the accumulation of fictitious capital<sup>2</sup> in secondary markets, including corporate stocks, state bonds, and other securitized interest-bearing papers traded on stock exchanges or over-the-counter, despite originating from the same production foundation, holds no correlation with, nor bears any relevance to, current production flows. This fictitious manifestation of capital exists solely in an off-balance sheet accounting context, represented by "accumulated claims, or legal titles, to future production." (Marx 1894, 336) Keynes expressed a similar view, cautioning that "if the capital growth of a nation is driven as a by-product of the operations of a gambling house, the result is likely to be poorly executed." (Keynes 2013, 159). In this new monopolistic economic system<sup>3</sup>, financial sector plays an outsized role, and profit generation is driven by uncertain financial speculation and investment in short-term financial outlets, rather than the production of new goods and services. (Sen 2020; Dasgupta, 2021) This shift occurs because short-term liquid assets offer quicker and higher yields than durable, illiquid assets. This allows investors and financial institutions to profit from trading speculative (and real estate) assets without producing tangible goods. What is interesting is that in this new era of finance, financial corporations (FCs) and non-financial private corporations (NFCs) often operate under the same "convention" described by Keynes in Chapter 12, Section IV. (Keynes 2013,152) Monopolistic NFCs drive this financialization by injecting substantial free cash flow into the financial system. This leads to corporate portfolios holding more financial assets like stocks, bonds, and equities, increasing wealth claims rather than actual economic output. This trend negates Keynes' insights on corporate governance, which advocate for long-term investment and sustainable growth over short-termism and speculative investments<sup>4</sup>. (Ibid 150) Notably, the financialization of NFCs is closely tied to the redistribution of surplus value towards the ultra-rich and relies on high labor exploitation and flexible labor regime (Dasgupta, 2021). Financialization of households is another critical aspect in contemporary economics, involving "the penetration of financial transactions into the circuits of personal life." (Lapavitsas, 2013, 236) These complex and interconnected relationships between financial institutions, non-financial businesses, and households work to reinforce the dominance of finance capital and the control of financial-corporate elites over global economic, political, cultural, and environmental realms. The concept of financialization has become increasingly important in the context of economic liberalization programme since 1970s all over the world including the global South. India started economic liberalization programme in 1991 which is still in vogue. We address here the structural transformations in advanced and emerging markets during the post-liberalization era, supported by empirical evidence from the Indian economy. Additionally, the paper will explore the concept of financial subordination and its impact on financialization in emerging capitalist economies. Finally, it will investigate the complex and contradictory relationship between the growth of finance and productive labor processes, highlighting the dialectical

relation between financial expansion and labor exploitation. The concluding section will summarize the major findings of the paper.

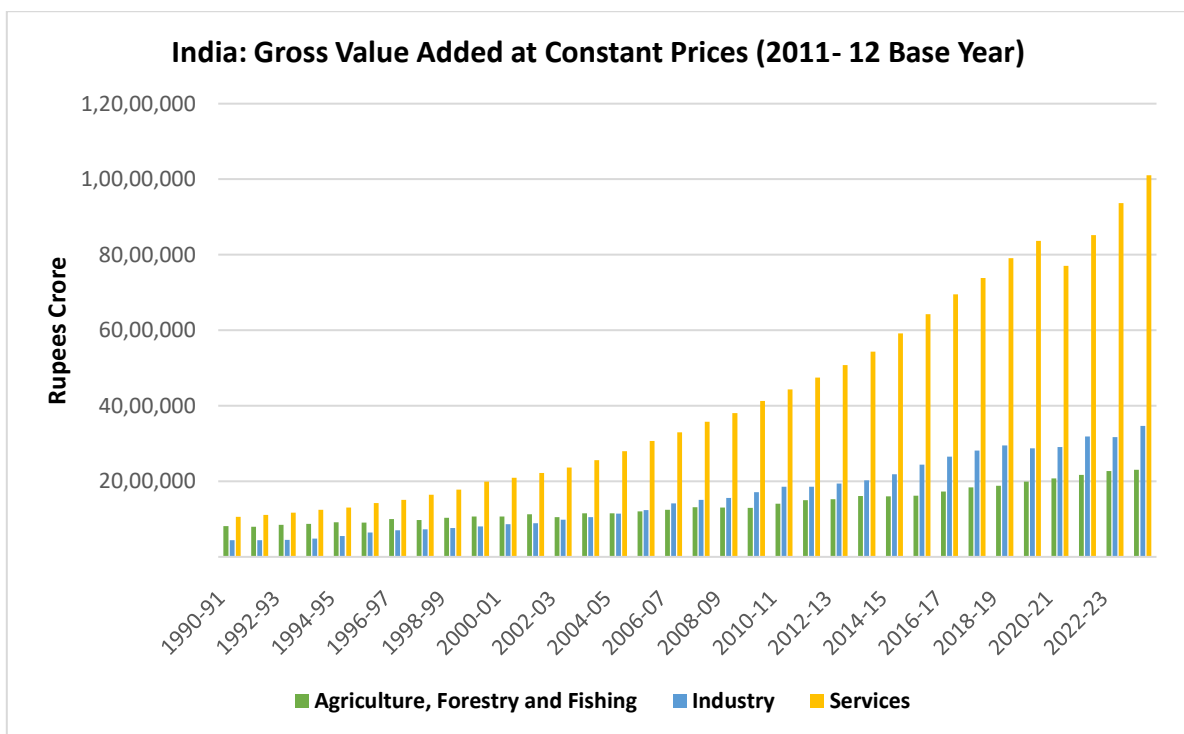
## 2. Finance Capital and Financialization: A Marxist perspective

In the contemporary global capitalism, finance capital exerts a dominant influence on overall social and economic processes. Financial institutions significantly control and shape the operations and decisions of various social entities, such as states, industrial corporations, and households. Consequently, they influence the dynamics of production process, industrial investment strategies, and economic development on a global scale. Marx did not use the term "finance capital" in his magnum opus *Capital*; instead, he referred to concepts such as industrial capital, merchant capital, interest-bearing monetary capital, and fictitious capital. It is crucial to acknowledge that Rudolf Hilferding (1981), Vladimir Lenin (1917), and Nikolai Bukharin (1929) were the pioneering scholars who first introduced a comprehensive analysis of centralized bank-based monopoly-finance capital within the context of the Rhineland capitalist framework during the Second Industrial Revolution<sup>5</sup>. Whether or not Marx used the term "finance capital" in his works is not the main point. What matters is that scholars can utilize his description of interest-bearing capital and fictitious capital to gain valuable insights into the nature and operation of global finance capital within the convoluted framework of the neoliberal financialization process. To Marx, "capital" is "value in process," understood as the "self-expansion of value" within a set of relational processes (Marx 1976). This means that capital is not just a static sum of money or a physical entity, but rather it represents a dynamic process – the continuous movement of increasing value. In this money-making process, the initial quantity of value not only preserves its value but also ensures a progressive increase in magnitude<sup>6</sup>. In Part Two of *Capital* Volume I, Marx introduced this central idea of capital as a process of "self-valorizing value" in capitalist class process<sup>7</sup>, where he symbolically represents this concept through the "general formula of capital," denoted as  $M - C - M'$ , where  $M' = M + \Delta M$ . However, in Volume One, to develop his entire idea about competitive capitalism in England during the first industrial revolution, Marx did not focus on capital in general. Instead, he focused on a specific type of capital crucial to modern capitalism: *industrial* (productive) *capital*, which undergoes the circuit  $M - C \dots (P) \dots C' - M'$ <sup>8</sup>. Throughout this volume, Marx exclusively introduced one type of capitalist, the industrial capitalist, who only expropriates surplus labour from the direct producers within the capitalist class enterprise. In Volume III of "*Capital*," Marx extended his analysis beyond the complex capitalist production processes to explore other forms of unproductive institutions and associated unproductive capital<sup>9</sup>. Specifically, he examined the functions and implications of *merchant capital* ( $M - C - M'$ ) and *financial capital* ( $M - M'$ ), both of which were considered subordinate to the dominant industrial capital ( $M - C \dots P \dots C' - M'$ ) during Marx's era. This broader analysis shed light on the various forms of capital that played distinct roles in the dynamics of Anglo-Saxon capitalism in England. *Financial capital*, a crucial component of capitalist class structure, is considered unproductive as it doesn't directly engage in the production of new value through productive labor exploitation. Instead, it absorbs a portion of future surplus value in the form of profits, interest, dividends, rents, and other financial gains. However, despite its lack of direct involvement in production, financial capital plays a pivotal role in shaping the dynamics of the capitalist economy. In Section V of Volume III of "*Capital*" and "*Theory of Surplus Value Part III*," Marx suggested that financial capital undergoes a process of "self-valorization" that may not necessarily be directly linked to the creation of tangible use-value. This highlights the existence of abstract valuation processes divorced from the traditional capitalist production process. Furthermore, Marx indicates that financial capital can generate returns through creditor-equity relations, primarily in the form of interest income, as well as through engaging

in unproductive activities such as speculation, arbitrage, mergers and acquisitions, and financial engineering<sup>10</sup>. These non-interest incomes generally originate from the capitalization of future commitments of return associated with the future accumulation of value. This value is uncertain and highly variable. These activities demonstrate that financial capital has the potential to extract returns from heterogeneous class processes, regardless of its indirect involvement in the traditional production processes of capitalist systems. In the contemporary economy, discussions about finance capital require a careful examination of the complex nature of the financialization and its associated phenomena. Finance capital rules the global neoliberal space through the process of financialization. In the literature, financialization is described through a variety of perspectives, each offering a different lens on the process. Some adopt a macro-centric view, others a micro-centric perspective, and some combine both approaches. Epstein (2005) provides one of the most popular and widely cited definitions of financialization, describing it as "the increasing role of financial motives, financial markets, financial actors, and financial institutions in the operation of the domestic and international economies. According to Krippner (2011), financialization is characterized by a pattern of accumulation where profits are primarily generated through financial channels rather than through trade and commodity production. Stockhammer (2002) defined financialization slightly differently as "the increased activity of non-financial businesses on financial markets, measured by the corresponding income streams." Palley (2013) provides a detailed look at financialization, outlining three main trends: "(1) elevating the significance of the financial sector relative to the real sector; (2) transferring income from the real sector to the financial sector; and (3) contributing to increased income inequality and wage stagnation." Fine (2020) presents a Marxist interpretation of financialization, characterizing it as the growing assimilation of interest-bearing capital (IBC) into the circuits of capital. Sweezy (1994), Foster (2007) and Lapavitsas (2013) viewed financialization as a significant shift in capitalism's evolution, dating back to the 1970s. This shift represents a change in the balance of power between production and finance, favoring the latter. Financialization specifically addresses how financial interests permeate every facet of the economy through the vantage point of finance capital (M-M'), which is more liquid, fictitious, and speculative than in the era of Marx and Hilferding, resulting in financial hegemony over the real economy. In post-Keynesian terms, this process is characterized by the growing proportion of financial assets within the total assets of the economy and the increasing dominance of financial assets compared to physical assets (Sen and Dasgupta 2018; Sen 2020). This shift towards finance-dominated economy can be observed in the growing significance of sectors such as financial services, real estate, insurance, and professional services in the composition of national GDP across economies globally, particularly since the "breakdown of the post-war institutional framework of financial regulation." (Palley 2013, 26; Polanyi 2013, 187; Roy 2020, 65) However, this shift towards finance is not accompanied by increasing employment opportunities in the financial sector (Lapavitsas 2013). These trends are not limited to economically advanced nations like the USA and the UK but also extend to emerging Latin American nations like Brazil and Mexico, as well as Asian nations such as China and, notably, India. However, for simplicity, this paper will primarily focus on the Indian economy to illustrate these trends. Figure 1, 2, and 3 provide detailed insights into the financialization of the Indian economy. Figure 1 depicts the changing pattern of sectoral composition, highlighting the dominance of the service sector over others since the post-liberalization era. Figure 2 illustrates the changing nature of the service sector, where financial, insurance, real estate, and professional services dominate. In contrast, Figure 3 indicates that this domination of finance is not accompanied by an increase in employment opportunities in the financial sector. The structural shift is significantly connected to the emergence of rentier interests. (Foster & Holleman, 2010) This concept refers to individuals or entities whose significant income primarily originates from the

ownership of short-term financial assets, which may include real estate, stocks, bonds, and various investments. Their income predominantly comes from collecting rents, dividends, interest payments, or capital gains, rather than direct involvement in productive or tangible economic endeavors. The explicit connection between the predominance of the rentier class, or more precisely, the ascendancy of globalized finance capital, and the phenomenon of economic stagnation has only come to the forefront in relatively recent economic analyses. This correlation has taken shape within a broader discussion on financialization and its multifaceted consequences for the real economy, especially in the context of neoliberalism. It's a trend that cannot be ignored, particularly when considering the compelling evidence provided by national statistics in recent times. Indeed, these statistics underscore how neoliberal doctrines effectively promote the global accumulation of finance capital, primarily benefiting a particular financial elite class through their policy preferences. (Peet, 2011)

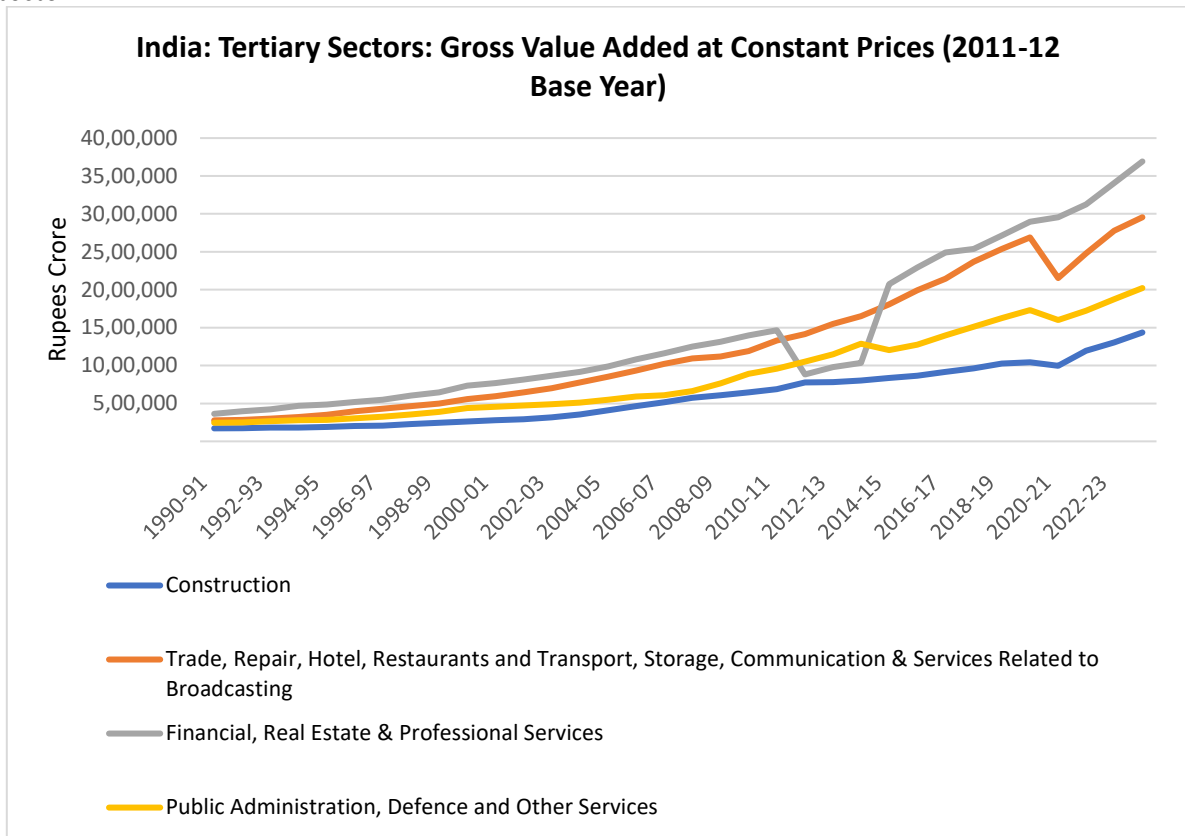
**Figure 1: Sector shares of GDP in India**



Source: RBI Database on Indian Economy and author's own calculation

<https://data.rbi.org.in/>

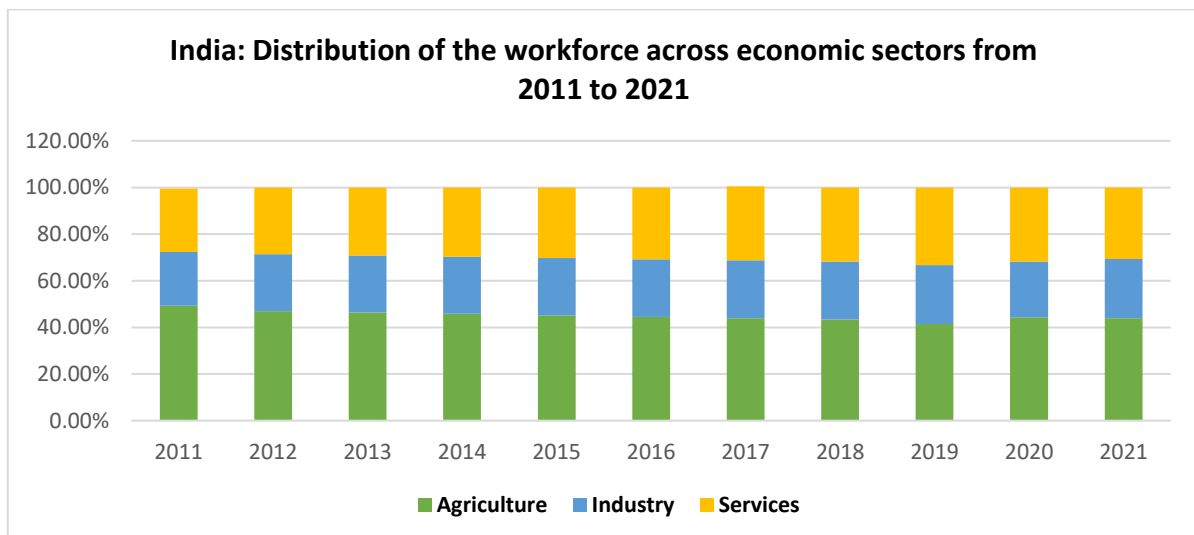
**Figure 2: Rising share of activities in Financial, Real Estate and Professional Services in tertiary sector**



Source: RBI Database on Indian Economy and author’s own calculation

<https://data.rbi.org.in/>

**Figure 3: Distribution of the workforce**



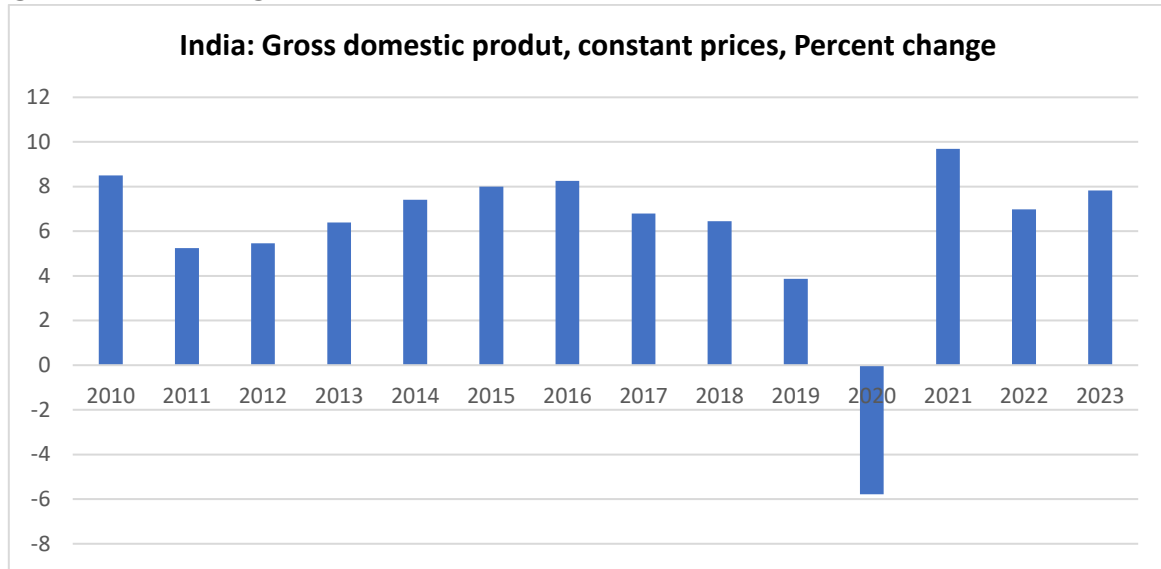
Source: Statista 2024

<https://www.statista.com/statistics/271320/distribution-of-the-workforce-across-economic-sectors-in-india/>

Indeed, large non-financial corporate houses operating within oligopoly markets have played a crucial role in the ongoing process of neoliberal financialization (Harvey, 2005; Dasgupta 2019, 105). Crotty (2005) highlights that the NFCs was significantly impacted by two major changes brought about by neoliberal globalization: 1) There was a noticeable decrease in the rate of global demand growth, coupled with intensified competition in critical product markets. These factors led to a decline in profit rates for NFCs. 2) The shift from patient, long-term committed finance to impatient financial markets resulted in higher real interest rates. This shift compelled NFCs to allocate a growing portion of their cash flow to financial intermediaries, which, in turn, led to significant alterations in managerial incentives. Additionally, it contributed to shorter planning horizons for NFCs. (Crotty 2003, 272; Polanyi 2013, 186; Sen 2020, 451-53) “Moreover, large productive enterprises increasingly combine their normal activities with financial activities, subordinating their strategies to speculative practices: productive capital has thereby had its dynamics subordinated by speculation.” (Carcahno and Nakatani 2019, 119) In the Indian economy, banks and financial institutions are increasingly investing in short-term securities of large non-financial corporations. Over the past two decades, NFCs have also ramped up their investments in financial assets. Both sectors are now heavily focused on short-term financial assets, such as equities in the secondary market, driven by the lure of quick speculative gains (Sen and Dasgupta 2018; Roy, 2020). Finally, households are also drawn into the financialization process through their everyday routines, such as redirecting savings from interest-bearing accounts to retail financial products, which are then invested in a diverse portfolio of financial instruments. This trend is increasingly observed in the Indian economy as lower interest rates on liquid savings prompt households to explore higher-yield alternative investment products like private equity, insurance & pension funds, money market mutual funds, and so on. These products not only offer steady primary interest incomes but also the potential for secondary short-term speculative gains through asset appreciation. However, despite the increase in household assets over the same period, stagnation and crises have led to a continuous rise in household liabilities, primarily in the form of loans. One can easily verify this by observing the changes in financial assets and liabilities of the household sector, as available in the RBI DBOI dataset (link: <https://cimsdbie.rbi.org.in/DBIE/> ).

The perspective of finance capital and the financialization process is closely linked to short-termism, characterized by a fervent desire to achieve rapid and substantial monetary gains from financial investments ( $M - M'$ ). Such gains are typically unattainable through investments in productive activities ( $M - C...P...C' - M'$ ). This has led to a significant and steady expansion of speculative financial turnover in the secondary market, even during periods of economic stagnation and GDP volatility. One can easily verify this trend in post-liberalized India by examining Figures 4, 5, 6, 7, and 8. Figure 4 describes the volatility in nominal GDP growth (the standard deviation of GDP growth rates between 2010 and 2023 is 3.72371, signifying high volatility.), while Figure 5 represents the stagnation of private investment. On the other hand, Figures 6, 7, and 8 depict the volatile yet steadily increasing secondary stock market during the same period. This scenario presents a contradictory picture of stagnation and financial explosions in the Indian economy.

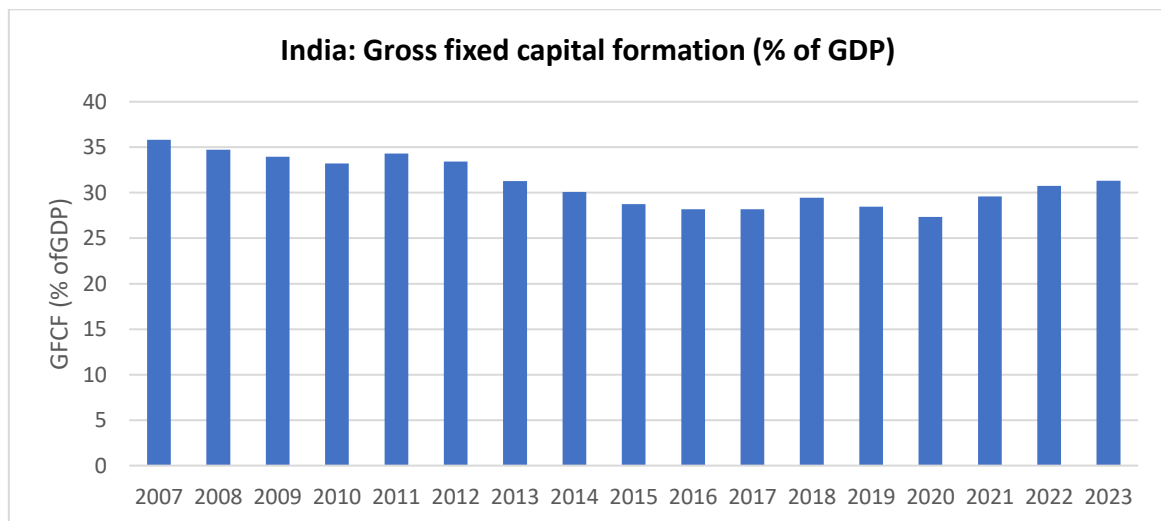
**Fig 4: Nominal GDP growth**



Source: International Monetary Fund, World Economic Outlook Database, April 2024

<https://www.imf.org/en/Publications/WEO/weo-database/2024/April>

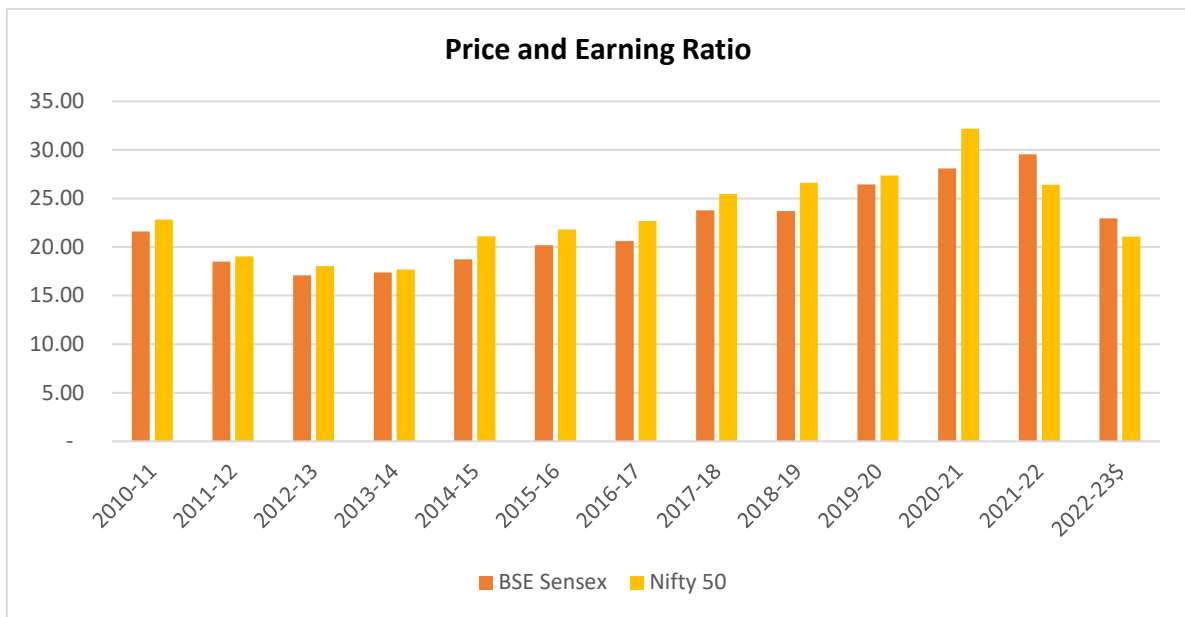
**Figure 5: GFCF (% of GDP)**



Source: World Development Indicators, World Bank

<https://data.worldbank.org/indicator/NE.GDI.TOTL.ZS?locations=IN>

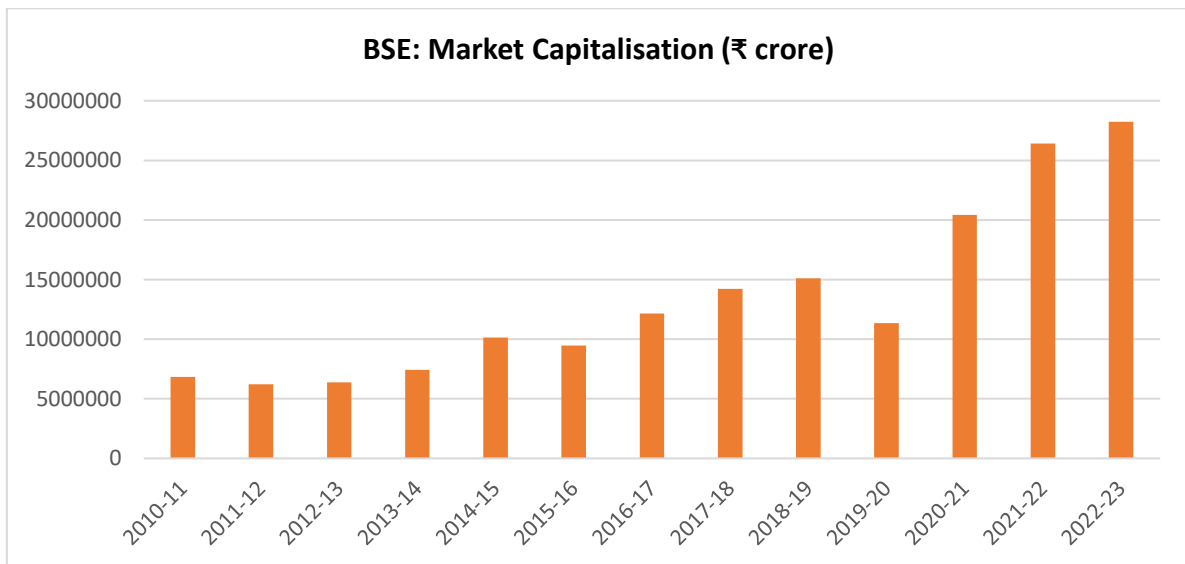
Figure 6: Price and Earning ratio



Source SEBI Handbook of Statistics 2024

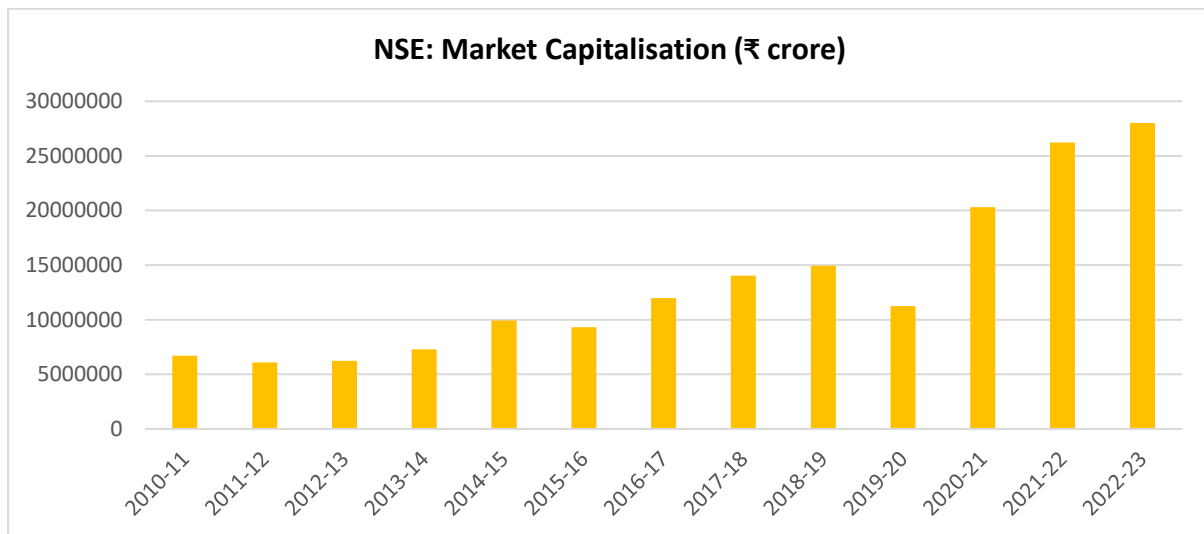
[https://www.sebi.gov.in/sebi\\_data/commondocs/jul-2020/Handbook of Statistics 2019 table 14A p.xlsx](https://www.sebi.gov.in/sebi_data/commondocs/jul-2020/Handbook of Statistics 2019 table 14A p.xlsx)

Figure 7: BSE market capitalisation



Source: Compiled from BSE data; also referenced in SEBI Handbook of Statistics 2024

[https://www.sebi.gov.in/sebi\\_data/commondocs/nov-2024/Table%202021%20Averages%20of%20Major%20Indices%20and%20%20Market%20Capitalisation p.xlsx](https://www.sebi.gov.in/sebi_data/commondocs/nov-2024/Table%202021%20Averages%20of%20Major%20Indices%20and%20%20Market%20Capitalisation p.xlsx)

**Fig 8: NSE market capitalisation**

Source: Compiled from NSE data; also referenced in SEBI Handbook of Statistics 2024

[https://www.sebi.gov.in/sebi\\_data/commdocuments/nov-2024/Table%20of%20Averages%20of%20Major%20Indices%20and%20%20Market%20Capitalisation%20p.xlsx](https://www.sebi.gov.in/sebi_data/commdocuments/nov-2024/Table%20of%20Averages%20of%20Major%20Indices%20and%20%20Market%20Capitalisation%20p.xlsx)

In Emerging Market Economies (henceforth, EMEs), financialization often assumes a subordinate role due to the hierarchical and exploitative nature of global market interactions. The subordinate integration of developing countries into the global financial system reinforces existing inequalities, limits the potential for sustainable economic growth, and constrains the capacity for public welfare provision. This deepens domestic financialization, influences the class hierarchy, and affects the distribution of income and wealth in developing countries. (Painceira 2022, 77)

### 3. Financial liberalization and Subordination of Emerging Market Economies

As highlighted in the post-Keynesian literature, the international asymmetry created by the currency hierarchy, exacerbated by global financial integration, constrains exchange rate dynamics, independent monetary policies, and the implementation of Keynesian demand management strategies in EMEs (Davidson 2007, 106). This reflects the "impossible trinity" (or Trilemma) concept, which posits that it is not possible to simultaneously achieve financial opening (capital account convertibility), managed exchange rates (control over the exchange rate for currency stabilization), and monetary autonomy (the ability to independently set monetary policies to address domestic economic concerns). The phrase "impossible trilemma" encompasses various interpretations, all of which revolve around the same three challenges that EMEs face, often linked to their subordinate integration into the global financial system. These three objectives often conflict with each other, and achieving all of them simultaneously is considered impossible, especially in the context of emerging developing economies. Instead, a country must make trade-offs and prioritize two of these objectives at the expense of the third. The policy decisions contradict the needs of the real economy and contribute to increased domestic financialization. In simple terms, the "impossible trinity" is a reminder of the complex choices and constraints that EMEs face now. The neoliberal era prioritizes market-driven policies and minimal government intervention, emphasizing the free movement of international

finance capital flows, which are predominantly dominated by short-term speculative and parasitic portfolio capital. This system pressures emerging economies to either manage exchange rates or maintain autonomous monetary policies, often sacrificing the latter. Exchange rate volatility can harm growth-oriented policies as short-term foreign capital inflows lead to currency appreciation, negatively impacting the trade balance. Davidson (2007, 108) notes that fluctuating exchange rates reduce the competitiveness of domestic industries, deterring investment in large projects. Consequently, managing exchange rates is vital for maintaining national economic competitiveness and growth. To stabilize the currency, monetary authorities (mainly central banks) may increase foreign reserves, causing excessive monetary expansion and inflationary pressures<sup>11</sup>. In neoliberal policies, inflation targeting becomes the primary focus, limiting monetary policy autonomy. To address the issue, the monetary authorities of EMEs pursue further monetary sterilization strategies, including the sale of short-term government bonds by the central banks and interest rate hikes. The increased interest expenses cause reduction in social spending: "Any such fiscal constraint is imposed upon the State by international capital and its local counterpart, the domestic corporate-financial oligarchy; it is reflective of a loss of autonomy on the part of the State, not of any objective limits on the State." (Patnaik, 2024) However, this has profound effects on the domestic financial systems of EMEs. As Lapavistas (2013, 250, emphasis added) notes:

"One of the most important domestic implications for developing countries has been increased issuing of public securities. Domestic bond markets have grown strongly across a range of developing countries since the middle of the 1990s, mostly in Asia which holds by far the largest foreign exchange reserves, but also in Latin America and elsewhere. *The growth of domestic financial markets has represented increased financial deepening in developing countries and has promoted subordinate financialization.*"

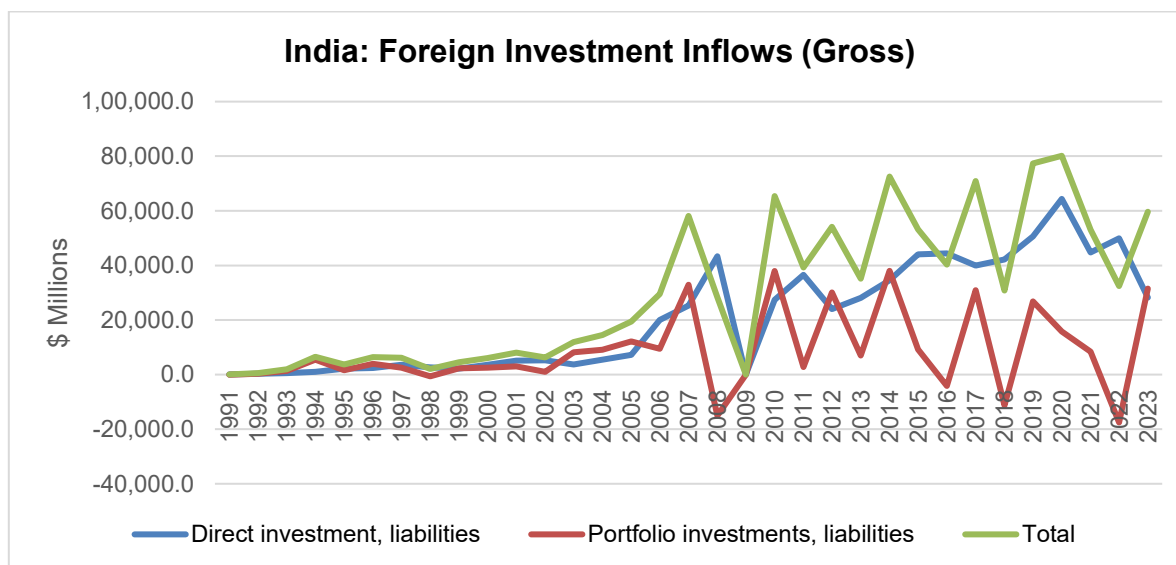
Additionally, substantial and frequently unpredictable inflows of short-term speculative capital introduce instability into financial markets. These flows, characterized by their large and volatile nature, cause sharp fluctuations in asset prices, affecting investors in both financial and non-financial institutions. This particularly forces economic actors, especially non-financial corporations (NFCs), to engage more frequently with sophisticated derivatives market in order to avoid uncertain shocks promoting derivatives markets therein. (Sen 2021, 24). The rise in domestic public debt is not the only significant factor linked to this subordinate financialization process. There is also a notable reversal of capital flows from developing countries to developed nations, fueled by substantial international reserve accumulation comprising various forms of liquid and safe financial assets encompassing deposits and securities, gold, short-term repos and derivatives in developing countries. This trend directly contradicts the widely-held consensus in Washington. EMEs exhibit a distinct tendency to accumulate international currency reserves, driven by a heightened need to safeguard against the growing risks and uncertainties associated with financial disruptions stemming from factors such as unforeseen economic sanctions, capital flight, and leveraging crises. This strategic decision aligns with the concept of the "Quadrilemma." It aims to "self-insure" against the growing uncertainties associated with international asymmetry caused by the currency hierarchy, ultimately contributing to the growth of financial assets primarily dominated in the US dollar in EMEs. Building up foreign exchange reserves offers several advantages, such as maintaining economic stability and confidence, managing exchange rates, and having flexibility in monetary policy. However, it's important to note that this strategy has social costs and financial implications for the EMEs: Investing in low-yield foreign financial assets means that there is a missed opportunity for potentially higher returns from investing in domestic

development projects. The capital that is exported abroad could be used domestically to support high-growth infrastructure and employment, helping to address insufficient effective demand. The economic policies and financial stability of developed countries do not just impact EMEs - they create a dependency, linking the fortunes of developing economies to decisions made far beyond their borders. Paineira (2022, 57, emphasis added) noted:

"The strategy of foreign (world money) reserves accumulation adopted by emerging economies after the financial crises of the late 1990s was a response to speculative and unstable capital flows. *This strategy has resulted in substantial social costs for emerging countries because it has facilitated net international transfer of capital from the poor to the rich, instead of promoting investment for purposes of economic development. The USA has been the main beneficiary of this trend, thus revealing the problematic and exploitative character of the US dollar as contemporary world money.*"

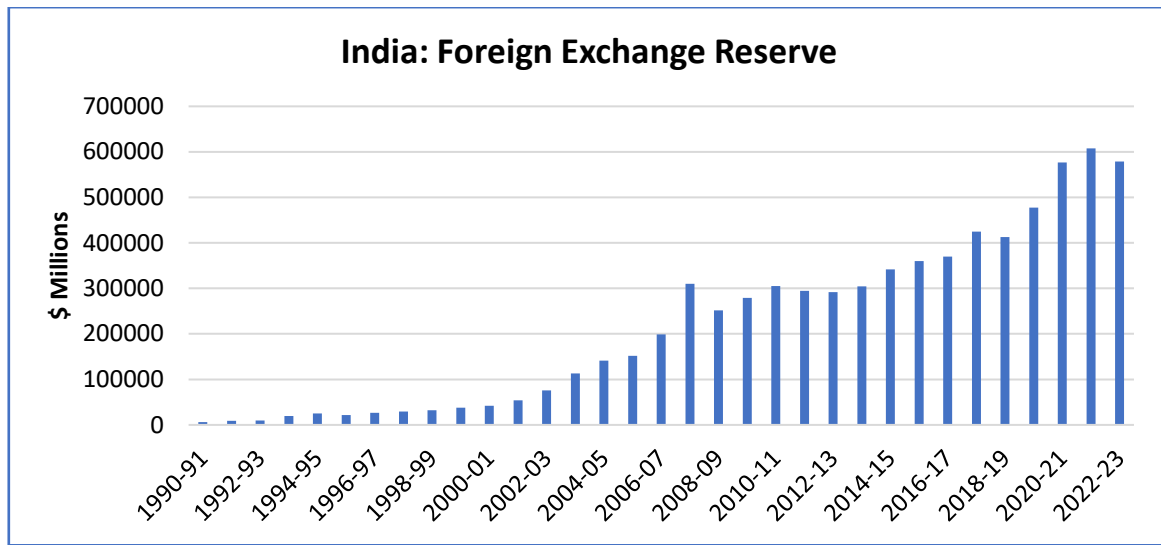
The increasing flow of international capital and the accumulation of reserves are the main catalysts driving financialization in emerging economies. In the case of India, Figures 9 and 10 depict a consistent and substantial increase in both of these indicators. These intertwined factors underscore the complex challenges posed by contemporary global capitalism.

**Figures 9: Foreign investment inflows (Gross)**



**Source: International Financial Statistics (IFS) and author's own calculation**

<https://legacydata.imf.org/>

**Fig 10: International Reserves**

Source: RBI Handbook of Statistics on Indian Economy

<https://www.rbi.org.in/scripts/annualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>

**Table 1: FOREIGN EXCHANGE RESERVES**

FOREIGN EXCHANGE RESERVES										
End of Financial Year	SDRs ##		Gold #		Foreign Currency Assets*		Reserve Tranche Position		Total	
	₹ crore	US \$ Million	₹ crore	US \$ Million	₹ crore	US \$ Million	₹ crore	US \$ Million	₹ crore	US \$ Million
1990-91	200	102	6828	3496	4388	2236	-	-	11416	5834
1991-92	233	90	9039	3499	14578	5631	-	-	23850	9220
1992-93	55	18	10549	3380	20140	6434	-	-	30744	9832
1993-94	339	108	12794	4078	47287	15068	-	-	60420	19254
1994-95	23	7	13752	4370	66005	20809	-	-	79780	25186
1995-96	280	82	15658	4561	58446	17044	-	-	74384	21687
1996-97	7	2	14557	4054	80368	22367	-	-	94932	26423
1997-98	4	1	13394	3391	102507	25975	-	-	115905	29367
1998-99	34	8	12559	2960	125412	29522	-	-	138005	32490
1999-00	16	4	12973	2974	152924	35058	-	-	165913	38036
2000-01	11	2	12711	2725	184482	39554	-	-	197204	42281
2001-02	50	10	14868	3047	249118	51049	-	-	264036	54106
2002-03	19	4	16785	3534	341476	71890	3190	672	361470	76100
2003-04	10	2	18216	4198	466215	107448	5688	1311	490129	112959
2004-05	20	5	19686	4500	593121	135571	6289	1438	619116	141514
2005-06	12	3	25674	5755	647327	145108	3374	756	676387	151622
2006-07	8	2	29573	6784	836597	191924	2044	469	868222	199179
2007-08	74	18	40124	10039	1196023	299230	1744	436	1237965	309723

2008-09	6	1	48793	9577	1230066	241426	5000	981	1283865	251985
2009-10	22596	5006	81188	17986	1149650	254685	6231	1380	1259665	279057
2010-11	20401	4569	102572	22972	1224883	274330	13158	2947	1361014	304818
2011-12	22860	4469	138250	27023	1330511	260069	14511	2836	1506132	294397
2012-13	23540	4328	139740	25692	1412630	259726	12510	2301	1588420	292046
2013-14	26830	4464	129620	21567	1660910	276359	11020	1834	1828380	304223
2014-15	24940	3985	119160	19038	1985460	317324	8080	1292	2137640	341638
2015-16	9960	1502	133430	20115	2219060	336104	16290	2456	2378740	360176
2016-17	9380	1447	128830	19869	2244940	346319	15050	2321	2398200	369955
2017-18	10020	1540	139740	21484	2597570	399442	13520	2079	2760850	424545
2018-19	10076	1457	159585	23071	2665564	385357	20657	2986	2855882	412871
2019-20	10800	1433	230527	30578	3333815	442213	27013	3583	3602155	477807
2020-21	10864	1486	247723	33880	3924168	536693	36198	4925	4218953	576984
2021-22	143052	18891	322213	42551	4094565	540724	38988	5143	4598819	607309
2022-23	151164	18392	371500	45200	4189132	509691	42468	5165	4754265	578449

Notes: -: Negligible.

\*: Foreign Currency Assets exclude investment in foreign currency denominated bonds issued by IIFC (UK), SDRs transferred by Government of India to RBI and foreign currency received under SAARC SWAP arrangement. Foreign currency assets in US dollar take into account appreciation/ depreciation of non-US currencies (such as Euro, Sterling, Yen, Australian Dollar, etc.) held in reserves. Foreign exchange holdings are converted into rupees at market exchange rates prevailing on the day.

#: Includes ₹31463 Crore (US\$ 6699 Million) reflecting the purchase of 200 metric tons of gold from IMF on November 3, 2009.

##: Includes SDRs 3,082.5 million and SDRs 12,569.56 million allocated under general allocation done by IMF on August 28, 2009 and August 23, 2021 respectively as well as SDRs 214.6 million allocated under special allocation done by IMF on September 9, 2009.

Source: RBI Handbook of Statistics on Indian Economy

<https://www.rbi.org.in/scripts/annualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>

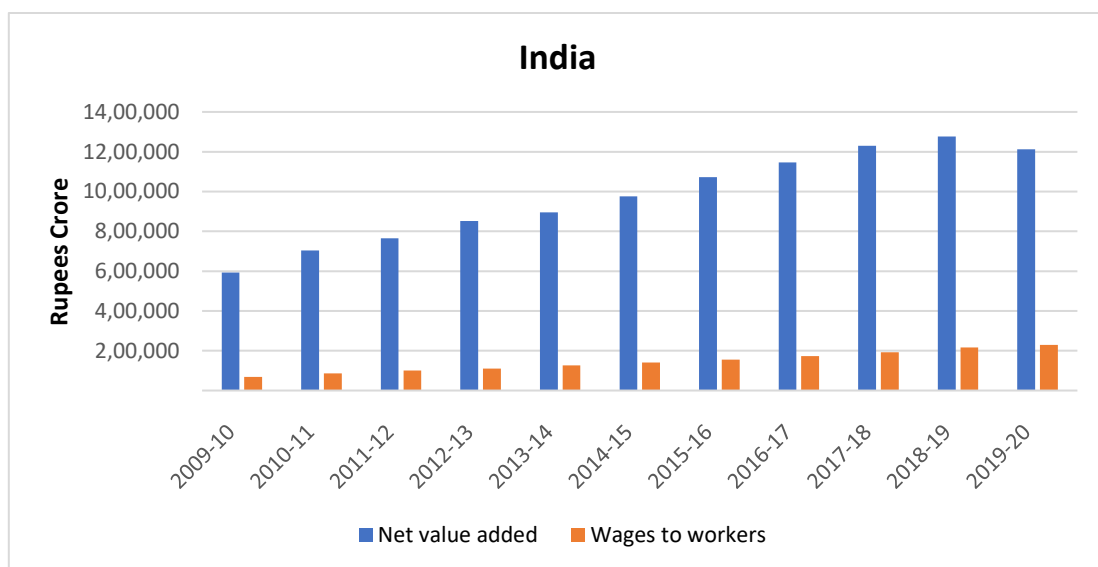
#### 4. Finance Capital and Labour in EMEs:

Our final section analyzes the dialectical relations between the circulation of global finance capital and corresponding labor flows, and how these dynamics affect class struggle and exploitation at various levels in post-liberalized era. Despite the extensive exploration of the causes and effects of financialization in non-mainstream heterodox literature, these crucial elements are often neglected. We attempt here to probe the influence of finance capital and contemporary financialization processes on the working class within the capitalist framework. This section will address key questions, such as whether finance capital can be delinked from labor exploitation and whether finance can exist independently of production. More prominently, we will explore whether the circuit of finance (M - M') is truly separated from the industrial circuit (M - C - P - C' - M'), where surplus value<sup>12</sup> is produced through the exploitation of productive labor within the capitalist class enterprise<sup>13</sup>. The answer is simple: no. It is impossible to separate the finance capital circuit from the industrial and merchant circuits. They are interconnected. Thus, the value expansion process in the financial circuit (M - M') is inextricably linked with the capital circuits (M - M', M - C - M', and M - C - P - C' - M') in a dialectical manner. To make this answer clearer, we should first concentrate on the initial source of M in the circuit of finance capital (M - M'). There are primarily three possibilities:

- I. **Households:** The flow of finance capital often begins with household savings, part of personal incomes directed towards financial assets. For Indian households, these savings are typically held in traditional forms such as demand and time deposits. Additionally, individuals may explore other investment avenues like Public Provident Fund (PPF) and post-office savings schemes like the, National Savings Certificates (NSC), Kisan Vikas Patra (KVP), and the Senior Citizens Savings Scheme (SCSS). Furthermore, people have the option to invest in hedge funds, mutual funds, pension funds, and various other financial instruments. The increasing private provision of pensions stands as one of the most significant aspects of contemporary financialization. Investing in equities and related instruments through stock exchanges or online platforms has also gained significant popularity among Indian households. Financial institutions pool these personal savings and transform them into interest-bearing capital or fictitious capital to earn financial returns via M-M' circuits. One thing to mention here is that these forms of savings, which are often invested in various financial assets, may not be directly connected with productive labor exploitation. However, if we examine the liability side, some profit sources, such as interest on household loans, may be related to secondary exploitation. This form of exploitation, known as profit upon expropriation, occurs in circulation and is independent of capitalist production and the generation of surplus value<sup>14</sup>.
- II. **Non-financial corporations:** Another potential source of investment capital is the retention of corporate surplus. Sweezy (1987, 1994) argues that as sustainable reinvestment opportunities in production diminish during the neoliberal era—due to persistent stagnation and the widening gap between wages and productivity—an increasing portion of surplus money capital flows into speculative financial assets such as stocks, bonds, and derivative products, as well as rental income schemes. This is true for India as well [Sen & Dasgupta (2018) and Roy (2020)]. This shift results in a significant expansion of speculative financial turnover in the secondary market, contrasting with the diminishing volume of IPO shares in the primary stock market. In this context, we can observe the connection between the flow of money in financial transactions (M - M') and the cycle of production in industry (M - C ... P ... C' - M'). It shows how profits from industrial production are increasingly channeled into finance, insurance, and real estate (known as FIRE) instead of being reinvested in industrial growth. This shift emphasizes the interconnection between finance capital and the increasing exploitation of productive labor. To enhance the rate of exploitation ( $e = s/v$ ), one can either increase surplus value (s) while maintaining variable capital (v), achieved through extended working hours (absolute surplus value), or elevate through technological progress boosting labour productivity (relative surplus value). Similarly, one can increase e by reducing variable capital (v) while maintaining surplus value (s). Finally, one can increase the rate of exploitation (e) by simultaneously decreasing variable capital (v) and increasing surplus value (s). To understand the scenario for the Indian economy, we can refer to Figure 11, which illustrates the widening gap between net value addition and wages, implying the increasing appropriation of surplus value. Industrial capitalists benefit from obtaining as much unpaid labour as possible, allowing them to invest more in short-term finance capital to gain profitable returns, often disconnected from physical capital accumulation. Conversely, the era of financialization has led to significant changes in the distribution of surplus value, favoring the rentier class. Income from rents, dividends, and interest has become increasingly important for financial and non-financial corporations. The rising pressure from the rentier class to claim a larger share of surplus has forced productive enterprises in EMEs to adjust surplus value by increasing the rate of labor exploitation. On one

hand, there is a notable surge in financial investments, signaling a burgeoning confidence in market opportunities. On the other hand, an equally pronounced rise in financial obligations looms, creating an environment fraught with pressure. These dual forces compel NFCs to meticulously reevaluate their approaches to appropriating surplus value. This critical reassessment frequently leads to a stark intensification of labor exploitation, as companies strive to balance profitability with the mounting demands of their financial commitments. Statistical findings also validate this relationship in the Indian context. We run a correlation between the growing share of FIRE in the national GDP and the rise in labour exploitation (difference between wage and productivity) from 2009-10 to 2019-2020 (Table 2). The result is 0.84, indicating a strong positive linear relationship between the financial explosion and the simultaneous rise in labour exploitation in non-financial companies.

**Figure 11: The extension of unpaid labour (congealed profit)**



Source: Annual Survey of Industries, cited in RBI Handbook of Statistics on Indian Economy  
<https://www.rbi.org.in/scripts/annualPublications.aspx?head=Handbook%20of%20Statistics%20on%20Indian%20Economy>

**Table 2: The Dialectical Relation Between Financial Explosion and Capitalist Exploitation**

	Finance, Real Estate & Professional Services	'Living Labour' Exploitation
Finance, Real Estate & Professional Services	1	
'Living Labour' Exploitation	0.843259	1

Source: Author's Own

Intense competition has given rise to crony oligopolists—a few powerful corporations dominating various sectors and extending their control across economic activities, often leveraging state influence to achieve their goals. These entities often seek to influence macroeconomic policies in their favor, which can manifest in strategies like weakening labor organizations, implementing easy hire and fire policies, and contributing to massive involuntary unemployment. These actions collectively place stress on labor control. Conversely, the limits on fiscal deficits imposed by neoliberal orthodoxy constrain governments from pursuing various social agendas such as poverty alleviation programs and employment generation initiatives. This ultimately places workers in a more vulnerable situation, as these policies often prioritize the interests of globalized finance over the well-being of the labor force. These policies frequently give precedence to the interests of global capital at the expense of the well-being and rights of laborers, rendering them more susceptible to super exploitation and precarious working conditions. One interesting aspect here is that not only productive enterprises but also commercial or merchant firms (M-C-M'), can participate in the financialization process and profit from short-term financial circulation.

- III. **Financial corporations:** The third possibility involves allocating most of the profit generated from financial circulation to the circuit of finance capital (M-M'), which may or may not be connected with the (M-C...P...C'-M') or (M-C-M') circuits. For instance, hedge funds reinvest profits earned by investing pooled savings as interest-bearing or fictitious capital back into the speculative circuit, which does not influence the real economy. There are also other complex self-valuation strategies. These continuous reinvestments perpetuate the accumulation of finance capital, showcasing the complex strategies financial entities employ to maximize returns, which may or may not depend on traditional industrial production processes.

These are some possibilities and do not exclude other potential strategies. However, most of these possibilities highlight that it is impossible to decouple the circuit of finance from the circuits of industry and merchant firms in the neoliberal era. The contemporary accumulation of global finance capital is closely tied to the real subsumption (Marx 1976, 1022) of labor and production processes by financial interests, particularly within the global south. This results in increasing levels of super-exploitation within NFCs, driven by the pursuit of short-term profits. This drive intensifies the expropriation of *surplus value* from productive workers in capitalist production. The present neoliberal capitalism has implemented policies and reforms that align with these objectives (Dasgupta, 2013, 2017). One key aspect of neoliberal economic policies is labor market flexibility, often achieved through changes in labor laws and the increasing prevalence of temporary contracts. [See (Sen and Dasgupta 2009, Chapter 1 and Chapter 6)] The report by the Center for Economic Data & Analysis reveals that the formal manufacturing sector in India has witnessed a rise in the total number of workers from 6.1 million in 2002-03 to 13.6 million in 2021-22. Of these workers, 59.8 per cent are directly hired by factories, while

the remaining 40.2 per cent are contract workers. There has been a noticeable increase in the percentage of contract workers over time, rising from 23.1% in 2002-03 to 40.2% in 2021-22<sup>15</sup>. Wage stagnation is another aspect of this era which justifies the increasing exploitation of the formal workforce<sup>16</sup>. Additionally, neoliberal governments often lean towards diminishing the strength and influence of labor unions. This is where the connection between the financialization of the economy and the labor process becomes more apparent. The financialization process relies on the increased distribution of heavy surplus towards the corporate financial oligarchy, and a flexible labour regime, characterized by practices like labour casualization, wage stagnation, and weakening the voice of trade unions, plays a significant role in ensuring this outcome.

## 5. Conclusion

In the neoliberal framework, finance capital and the process of financialization impact everything from a financial perspective, often overlooking the real economy. This outlook is closely linked with short-termism, which involves an intense drive to achieve quick and substantial financial profits from investments. Such profits are usually not achievable through investments in physical assets. This trend has led to a rapid increase in speculative financial transactions, even during economic stagnation and instabilities in GDP. Financialization is evident in advanced countries and EMEs. However, in EMEs, financialization often assumes a subordinate role due to the hierarchical and exploitative nature of global market interactions. Finally, the neoliberal framework encourages a flexible labour regime, especially in emerging economies. The ultimate aim of this regime is to make labour as cheap as possible, providing more opportunities for international finance capital to exploit and extract wealth from these EMEs. This process involves increased exploitation and redistribution of surplus value, favoring international financial institutions and global rentier classes.

## Notes

<sup>1</sup> With respect to the Indian economy, we may also more precisely describe this surprising inverse relationship between these two sectors during the post-pandemic timeframe. Focusing at India's real economy during the pandemic, state projections show that GDP fell by 23.1 percent in April-June (Q1) 2020-21, exactly when the COVID-19 crisis hit hard. The slowdown persisted in the next quarter, with a negative GDP growth rate of (-) 7.5 percent. At the same time, the Bombay Stock Exchange's benchmark sensitivity index was moving steadily upward, from 40,817 on January 8, 2020, to 48,569 on January 8, 2021.

For a more detailed description, see "Financial boom at a time of economic stagnation" at <https://www.thehindu.com/opinion/lead/financial-boom-at-a-time-of-economic-stagnation/article33595248.ece>.

<sup>2</sup> See Szepanski (2022, 77 -103) for a more detailed description of fictitious capital.

<sup>3</sup> The proliferation of corporate concentration and the ascent of global monopoly power stand out as major dimensions in this new era. For a more in-depth analysis, please refer to Chapter 2 of the Oxfam report titled "Inequality Inc.: How Corporate Power Divides Our World and the Need for a New Era of Public Action." <https://policy->

[practice.oxfam.org/resources/inequality-inc-how-corporate-power-divides-our-world-and-the-need-for-a-new-era-621583/](https://practice.oxfam.org/resources/inequality-inc-how-corporate-power-divides-our-world-and-the-need-for-a-new-era-621583/)

<sup>4</sup> Such resource misallocation ultimately contributes to economic instability. As Keynes points out: “With the separation between ownership and management which prevails to-day and with the development of organised investment markets, a new factor of great importance has entered in, which sometimes facilitates investment but sometimes adds greatly to the instability of the system. In the absence of security markets, there is no object in frequently attempting to revalue an investment to which we are committed. But the Stock Exchange revalues many investments every day and the revaluations give a frequent opportunity to the individual (though not to the community as a whole) to revise his commitments.” Frequent asset revaluation can lead to market instability as investors react to short-term market fluctuations.

<sup>5</sup> As per Hilferding, finance capital is the most ‘supreme and abstract’ form of monopoly capital, which emerges from the fusion of bank, commercial, and industrial capital within the most organized state of monopoly capitalism. In the words of François Chesnais (2016), Hilferding employed the term finance capital to signify the “simultaneous and intertwined concentration and centralization of money capital, industrial capital and merchant or commercial capital” resulting from both “domestic and transnational concentration through mergers and acquisitions (M&As). In "Imperialism, the Highest Stage of Capitalism," Lenin referenced Hilferding's popular definition of finance capital and argued that the collaboration between bank monopoly capital and industrial monopoly capital was the primary factor that led to the prevalence of finance capital. In his book *Imperialism and World economy*, Bukharin also embraced Hilferding's view of finance capital and penned: “The entire process, taken on a social scale, tends to turn the entire “national” economy into a single combined enterprise with an organization connection between all the branches of production. The same process is going on with great rapidity in another way: banking capital penetrates industry, and capital turns into finance capital.”

<sup>6</sup> The value, denoted as  $M$ , gives rise to the surplus value represented by  $\Delta M$  and converts money into capital  $M' = M (1 + 1/x)$ : “The value originally advanced, therefore, not only remains intact while in circulation but increases its magnitude, adds to itself a surplus-value, or is valorized. And this movement converts it [money] into capital.” (Marx, 1887)

<sup>7</sup> Resnick and Wolff (1987) define class process as involving the performance, appropriation, distribution, and receipt of surplus labor. In a capitalist class process, surplus value generated by direct producers is appropriated by productive capitalists. Therefore, it is exploitative in nature. A capitalist is an individual who personifies capital.

<sup>8</sup> The industrialist enters the market to purchase commodities, transforming initial capital ( $M$ ) into 'elementary form of capitals' ( $C = c + v$ ). These commodities include means of production (constant capital) and labour force (variable capital). In the capitalist production process ( $P$ ), labourers add new value by congealing socially necessary abstract labour time (SNALT) to materials and preserving past values in the final product. The new value consists of necessary labour (NL) and surplus labour (SL). The industrial capitalist appropriates surplus value, receiving a finished product ( $C' = c + v + sv$ ) more valuable than the materials used ( $C = c + v$ ). The capitalist then sells the product for money ( $C' - M'$ ), realizing a higher exchange value ( $M' > M$ ). This process personifies capital as industrial capital ( $M \rightarrow C_{Mp}^L \dots P \dots C' \rightarrow M'$ ).

<sup>9</sup> In the first and second volumes, Marx extensively discussed the dynamics of capitalist production and its circulation. The third volume primarily examines the dialectical synthesis of production and distribution processes. "It tears down simplifications, introduces new

variables and new determinations, such as profit, interest, land rent, credit, competition, and so on, and should contain a final and decisive treatment of the financial aspects of capitalist production." (Nakatani, Teixeira, Gomes 2019)

<sup>10</sup> Marx did not deny the existence of additional revenue streams. He suggested that assuming capital cannot exist beyond the capitalist production process leads to a reductionist definition of financial capital. Finance can generate rentier returns without engaging in the capital-credit or equity relationship within the capitalist production process. Banks, rather than relying solely on traditional commercial activities (interest income), can focus on open market operations to generate fictitious capital gains (non-interest income) from financial trading. Additionally, they can target households to earn returns from managing savings and financial assets. These non-class relationships allow banks to expropriate substantial profits directly from household wages and savings.

<sup>11</sup> Official interventions by central banks in the foreign exchange market effectively redirect a substantial portion of currency inflows to the national treasury, increasing official reserves and preventing excessive appreciation of the domestic currency. However, the accumulation of foreign reserves from these interventions contributes to monetary expansion and inflationary pressures, presenting an ongoing policy challenge.

<sup>12</sup> Surplus value is the difference between the exchange value of labour power and the use value of labour power. Marx suggested that the presence of labour power as a commodity in the factor market and the use of this labour power inside the production process to make value and, therefore, the surplus value could settle the paradox of non-equivalence between the circulations of equivalence.

<sup>13</sup> Within a capitalist framework, the production process is, as we have seen in Chapter 7 of Capital, Volume 1, integration of labour-process and value-breeding processes. The capitalist production process, insofar as it is a value-creation process, is based on the (class) antagonism between the exploiter (productive capitalists = passive recipients) and the exploited (productive workers = direct producers).

<sup>14</sup> This type of profit, arising from circulation, is different from the surplus value created by labourers during the production process.

<sup>15</sup> See the full report here <https://ceda.ashoka.edu.in/the-contractualisation-of-workforce-in-indias-factories-continues/>

<sup>16</sup> See <https://indianexpress.com/article/opinion/columns/jean-dreze-writes-wages-are-the-worry-not-just-unemployment-8553226/> also see <https://indianexpress.com/article/opinion/columns/since-2014-the-poorest-communities-are-earning-less-8625367/>

For more information on the current deterioration of the labour market in India, see Chapter 8, titled "Postscript: Highlights of the Periodic Labor Force Survey for 2023," in the "India Employment Report 2024." [https://www.ilo.org/sites/default/files/2024-08/India%20Employment%20-%20web\\_8%20April.pdf](https://www.ilo.org/sites/default/files/2024-08/India%20Employment%20-%20web_8%20April.pdf)

## References

- Bukharin, N. (1929). *Imperialism and World Economy*. International Publishers.
- Chesnais, F. (2016). *Finance Capital Today. Corporations and Banks in the Lasting Global Slump*. Historical Materialism Book Series.

- Christophers, B., & Fine, B. (2020). The Value of Financialization and the Financialization of Value. In P. Mader, D. Mertens, & N. Zwan (Eds.), *THE ROUTLEDGE INTERNATIONAL HANDBOOK OF FINANCIALIZATION* (pp. 19 - 30). Routledge.
- Crotty, J. (2003). The Neoliberal Paradox: The Impact of Destructive Product Market Competition and Impatient Finance on Nonfinancial Corporations in the Neoliberal Era. *Sage Journals, Volume 35, issue3*.
- Dasgupta, B. (2013). Financialization, Labour Market Flexibility, Global Crisis and New Imperialism – A Marxist Perspective. FMSH-WP-2013-34. 2013. <halshs-00840831>
- Dasgupta, B. (2017). Flexible Labour and Capital Accumulation in a Post-Colonial Country. In I. K. Mitra, R. Samaddar, & S. Sen, *Accumulation in Post-Colonial Capitalism* (pp. 27-58). Springer.
- Dasgupta, B. (2019). Finance capital in Marxian perspective. In A. Chakraborty, A. Chakraborty, B. Dasgupta, & S. Sen (Eds.), *Capital in the east* (pp. 103 -111). Springer.
- Dasgupta, B. (2021). CAPITAL ACCUMULATION AND FINANCE CAPITAL IN THE AGE OF FINANCE. In B. Dasgupta, A. Ghosh, & B. Ghosh (Eds.), *NEOLIBERALISM IN THE EMERGING ECONOMY* (pp. 29 - 47). Routledge.
- Davidson, P. (2007 ). *Interpreting Keynes for the 21st Century Volume 4: The Collected Writings of Paul Davidson* . New York: PALGRAVE MACMILLAN .
- Dreze, J. (2023, Apr 13). Wages are the worry, not just unemployment. *The Indian Express*. <https://indianexpress.com/article/opinion/columns/jean-dreze-writes-wages-are-the-worry-not-just-unemployment-8553226/>
- Dreze, J. (2023, May 25). Since 2014, the poorest communities are earning less. *The Indian Express*. <https://indianexpress.com/article/opinion/columns/since-2014-the-poorest-communities-are-earning-less-8625367/>
- Epstein, G. A. (2005). Introduction: Financialization and the World Economy. In G. A. Epstein (Eds.), *Financialization and the World Economy*. Edward Elgar Publishing Limited.
- Foster, J. B. (2007). The Financialization of Capitalism. *Monthly Review*. <https://monthlyreview.org/2007/04/01/the-financialization-of-capitalism/>
- Foster, J. B., & Holleman, H. (2010). The Financial Power Elite. *Monthly Review*. <https://monthlyreview.org/2010/05/01/the-financial-power-elite/>
- Foster, J. B., & Mcchesney, R. W. (2012). *The Endless Crisis: How Monopoly-Finance Capital Produces Stagnation and Upheaval from the U.S.A to China*. Monthly Review Press.
- Harvey, D. (2005). *A brief history of neoliberalism*. Oxford University Press.
- Hilferding, R. (1981). *Finance Capital. A Study of the Latest Phase of Capitalist Development*. London: Routledge.
- International Labour Organization. (2024). *India Employment Report 2024: Youth employment, education and skills* [https://www.ilo.org/sites/default/files/2024-08/India%20Employment%20-%20web\\_8%20April.pdf](https://www.ilo.org/sites/default/files/2024-08/India%20Employment%20-%20web_8%20April.pdf)
- Keynes, J. M. (2013). *THE COLLECTED WRITINGS OF JOHN MAYNARD KEYNES*. Cambridge University Press.
- Krippner, G. R. (2011). *CAPITALIZING ON CRISIS: The Political Origins of the Rise of Finance*. Harvard University Press.
- Lapavistas, C. (2013). *Profiting Without Producing How Finance Exploits US All*. London: Verso.
- Lenin, V. I. (1917). *Imperialism, the Highest Stage of Capitalism A Popular Outline*.

- Marx, K. (1894). *Capital A Critique of Political Economy Volume III*. NY: International Publishers.
- Marx, K. (1971). *Theories of surplus value (Vol. 3)*. Progress Publishers. (Original work written 1862–1863)
- Marx, K. (1976). *Capital A Critique of Political Economy Volume 1*. Penguin Books in association with New Left Review.
- Nakatani, P., Teixeira, A. L., & Gomes, H. (2019). Financialization and the Contradictory Unity Between the Real and Financial Dimensions of Capital Accumulation. In G. M. Mello, & M. D. Sabadini (Eds.), *Financial Speculation and Fictitious Profits: A Marxist Analysis* (pp. 93 - 94). Springer Nature.
- Painceira, J. P. (2022). *Financialisation in Emerging Economies*. Routledge.
- Palley, T. (2013). *Financialization The Economics of Finance Capital Domination*. palgrave macmillan.
- Patnaik, P. (2024). What is to be Done about Unemployment? *INTERNATIONAL DEVELOPMENT ECONOMIC ASSOCIATES*.
- Peet, R. (2011). Contradictions of Finance Capitalism. *Monthly Review*. <https://monthlyreview.org/2011/12/01/contradictions-of-finance-capitalism/>
- Roy, S. (2020). *Contours of Value Capture: India's Neoliberal Path of Industrial Development*. Cambridge University Press.
- Sen, S. (2020). Financialization, Speculation and Instability. In P. Mader, D. Mertens, & N. v. Zwan (Eds.), *THE ROUTLEDGE INTERNATIONAL HANDBOOK OF FINANCIALIZATION* (pp. 448 -457). New York: Routledge.
- Sen, S. (2021). Finance and the real economy, the evolving distance in the context of India. In B. Dasgupta, A. Ghosh, & B. Ghosh (Eds.), *NEOLIBERALISM IN THE EMERGING ECONOMY OF INDIA* (pp. 19- 28). Routledge .
- Sen, S., & Dasgupta, B. (2009). *Unfreedom and Waged Work: Labour in India's Manufacturing Industry*. SAGE Publications India Pvt Ltd.
- Sen, S., & Dasgupta, Z. (2018). Financialization and corporate investments: the Indian case. *Review of Keynesian Economics, Vol. 6 No. 1,* 96-118.
- Singh, K. (2024). *The contractualisation of workforce in India's factories continues*. [ceda.ashoka.edu.in](http://ceda.ashoka.edu.in).
- Stockhammer, E. (2002). Financialization and the slowdown of accumulation. *Cambridge Journal of Economics vol. 28 (5)*, 719-741.
- Sweezy, P. (1994). The Triumph of Financial Capital. *Monthly Review*. <https://monthlyreview.org/1994/06/01/the-triumph-of-financial-capital/>
- Sweezy, P. (1997). More (or Less) on Globalization. *Monthly Review*. <https://monthlyreview.org/1997/09/01/more-or-less-on-globalization/>
- Sweezy, P. M., & Magdoff, H. (1987). *Stagnation and the Financial Explosion*. Monthly Review Press.
- Szepanski, A. (2022). *Financial Capital in the 21st Century: A New Theory of Speculative Capital*. Springer Nature.