Funding the Future

Post-financialisation

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On 15 December, I published a video under the title [What will happen if economic growth has come to an end?.]

In turn, this explored themes I had already discussed in a blog post, entitled [The End of Growth], published a few days earlier.

Steve Hinton [posted this comment] as a result of the video, and it made me think - although I have come to no firm conclusions as yet. I thought it was worth sharing.

This is very deep, Richard, as it contains the seeds of what I have been seeing you develop: the new political economy of the post-financialisation. Here is how I see it:

Post-Financialisation as a School of Thought

This framework constitutes a distinct political-economic school, separable from:

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* ***Neoliberalism (market primacy, growth absolutism)***
* ***Keynesianism (demand management within growth)***
* ***Degrowth (often socially under-specified)***
* ***Green growth (technologically optimistic but materially evasive)***

Core commitments of the Post-Financialisation School

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* ***Resource truth precedes financial design***

* ***Real capital formation is the measure of success***
* ***Finance is a public utility, not a growth engine***
* ***Distribution is a precondition for stability***
* ***Care and maintenance are central economic functions***
* ***Democracy requires material honesty***

This school does not reject markets or money — it demotes them to instruments subordinate to real-world constraints.

Is Steve right? Is this a direction of travel?

Is it possible, in other words, to capture the insight from MMT that real constraints are what matter when managing the economy, since this then permits reversal of the ordering that neoliberalism imposed?

Instead of assuming finance, markets and prices tell us what is possible, might post-financialisation ask first what the economy must do in material, social and ecological terms, and only then design the financial system to serve that purpose?

By rejecting the idea that affordability is discovered in markets and suggesting instead that it is determined by real capacity, which the government can enable, does it dissolve a great deal of the pseudo-constraint neoliberalism seeks to impose on both the government and society?

Simultaneously, by emphasising real capital formation as the measure of success, might it make a decisive break with GDP fetishism and asset-price growth?

Instead, by reframing prosperity as maintenance, renewal and resilience, and not throughput, is it proposing fundamentally sustainable success criteria for the economy and society?

What I agree with Steve on, without hesitation, is that seeing finance as a public utility is crucial. It explains why financialisation is destabilising. Utilities are, after all, meant to enable activity, and not extract rents from it. Once finance becomes the growth engine, everything else becomes subordinate and brittle. This logic is rejected in a post-financialisation model. That works precisely because it starts by reversing the ordering that neoliberalism imposed.

This is emphasised in the suggestion that distribution is a precondition for stability. This moves beyond both Keynesian demand management and moral arguments about fairness. It recognises inequality as a structural macroeconomic failure that must be addressed ex ante, not compensated for ex post.

And, of course, placing care and maintenance at the centre is vital. Most economic schools treat care as residual. In this post-financialisation idea, it becomes constitutive of economic success.

Vitally, though, this is not anti-market or anti-money. It is about demoting them to their appropriate instrumental roles within democratically chosen material goals. That, I think, is where political economy has to go next.

Thoughts?

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