FINANCIALIZATION, FICTITIOUS CAPITAL, AND CORPORATE BEHAVIOR IN THE GLOBAL ECONOMY

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Abstract: The financialization of the global economy in recent decades has raised important questions about the relationship between the financial sector and real economic activity. This process is characterized by the increasing importance of financial markets, institutions, and instruments in shaping economic outcomes. In this context, the concept of fictitious capital, developed in the works of Karl Marx, provides a useful theoretical framework for understanding the expansion of financial claims that are not directly linked to productive activity.
This study combines conceptual analysis with a descriptive empirical approach in order to examine the dynamics of financialization across selected developed and developing economies. The analysis is based on key indicators such as market capitalization, credit to the private sector, and economic growth, as well as selected aspects of corporate financial behavior.
The results indicate a clear trend of growth in financial assets, which in many cases exceeds the growth of the real economy. This trend is accompanied by a shift in corporate behavior, with greater emphasis on financial activities, including dividend payments and share buybacks, rather than long-term investment. As a result, the financial sector appears to exhibit an increasing degree of independence from the real sector.
In addition, the analysis highlights differences between countries. Developed economies show higher levels of financial development and a more pronounced separation between financial and productive activities, while in developing economies financialization is more closely linked to credit expansion and processes of economic transformation.
Overall, the findings suggest an increasing divergence between the financial and real sectors, with potential implications for economic stability and long-term growth. The analysis further suggests that contemporary financial dynamics increasingly shape economic processes and outcomes; does it, then, truly drive the economy forward—or, instead, quietly distance it from its productive foundation?
Keywords: financialization, fictitious capital,corporate behavior,credit expansion.

1. INTRODUCTION

The growing influence of finance on contemporary economic systems has become one of the defining transformations of the global economy in recent decades. Financial markets, financial institutions, and corporate financial strategies increasingly shape investment patterns, economic priorities, and broader social relations. In many economies, financial assets and market valuations appear to expand more rapidly than productive investment and real economic output, gradually raising questions about the relationship between finance and the productive foundations of the economy.
These developments are commonly associated with the process of financialization, understood as the increasing dominance of financial motives, financial actors, and financial markets within economic and corporate structures. While finance has traditionally functioned as a mechanism supporting production and economic exchange, contemporary financial systems increasingly exhibit a greater degree of autonomy from productive activity. As a result, economic growth and corporate performance are often influenced not only by production and trade, but also by market expectations, speculative activities, debt expansion, and financial market dynamics (Lapavitsas, 2013).
In this context, the concept of fictitious capital developed by Karl Marx remains particularly relevant for understanding the structural transformation of modern capitalism. Marx described fictitious capital as the expansion of financial claims increasingly detached from material production and real economic value (Marx, 1894/1991). Although formulated in a different historical context, this concept continues to provide an important theoretical perspective for interpreting contemporary financial dynamics, especially in relation to financial markets, speculative accumulation, and corporate valuation.
At the same time, the contemporary economy differs significantly from earlier phases of capitalism. The rapid expansion of digital platforms, technological transformation, and global capital mobility has introduced new forms of economic value based on information, attention, expectations, and data monetization. Large technology

corporations increasingly derive market value from intangible assets and user engagement, blurring the traditional boundaries between production, consumption, and finance (Zuboff, 2019). In digitally integrated economies, individuals increasingly participate not only as consumers, but also as "prosumers," simultaneously generating data, attention, and economic value through digital interaction.

Furthermore, financialization is increasingly shaped by broader macroeconomic and geopolitical dynamics. Inflationary pressures, interest rate fluctuations, public debt expansion, geopolitical tensions, and disruptions in global markets significantly influence investor behavior and financial market stability. Recent global developments, including post-pandemic economic restructuring, energy market instability, and geopolitical fragmentation, have intensified the sensitivity of financial systems to uncertainty and market expectations (Tooze, 2021; IMF, 2023).

At the same time, contemporary financialization is increasingly connected to the expansion of digital economic structures and platform-based forms of value creation. Within the contemporary digital economy, attention is increasingly treated as a limited economic resource around which digital platforms and technology corporations compete. Through algorithmic content targeting, personalized advertising, and continuous data collection, user interaction is transformed into a source of market value and financial revenue (Wu, 2016; Zuboff, 2019). Under such conditions, financial accumulation increasingly depends on the ability to attract attention, generate digital engagement, and sustain investor expectations regarding future growth. These developments further emphasize the contemporary form of fictitious capital, in which financial valuations are increasingly based on digital influence, data, and anticipated future profitability rather than exclusively on real productive activity.

Against this background, the paper examines the relationship between financialization, fictitious capital, and corporate behavior in the contemporary global economy. Particular attention is given to the growing divergence between financial expansion and productive economic activity, as well as to the broader implications of financialization for economic stability and long-term development. In this sense, an important question emerges throughout the analysis: does contemporary financial expansion continue to support productive economic growth, or is it gradually distancing the economy from its productive foundation?

2. MATERIALS AND METHODS

This study applies an interdisciplinary approach that combines theoretical interpretation with descriptive economic analysis. The research framework is based on literature addressing financialization, fictitious capital, corporate financial behavior, and contemporary political economy from both classical and contemporary perspectives.

The analytical section examines selected macroeconomic and financial indicators across developed, developing, and Balkan economies using a comparative approach. Particular attention is given to market capitalization, private sector credit, debt expansion, and selected dimensions of corporate financial activity in order to examine the relationship between financial growth and productive investment.

The research additionally relies on a comparative observation of broader economic tendencies associated with financialization, including credit expansion, changes in corporate priorities, and the growing importance of digital and intangible forms of value within the contemporary economy.

By combining comparative observation with conceptual analysis, the research aims to provide a broader understanding of how financialization influences the relationship between financial processes and productive economic activity in the contemporary global economy.

3. RESULTS

The findings of the analysis indicate that financialization in the contemporary global economy is increasingly associated with the expansion of financial activities beyond their traditional role of supporting production and economic exchange. In many economies, financial assets, market valuations, and corporate financial operations appear to grow more rapidly than productive investment and real economic output, suggesting an increasing divergence between the financial and real sectors.

The analysis further demonstrates that corporate behavior has become increasingly influenced by financial priorities. Corporations increasingly emphasize shareholder value, dividend distributions, and share buybacks, while long-term productive investment often receives less attention. This tendency is particularly visible in developed economies with highly market-oriented financial systems.

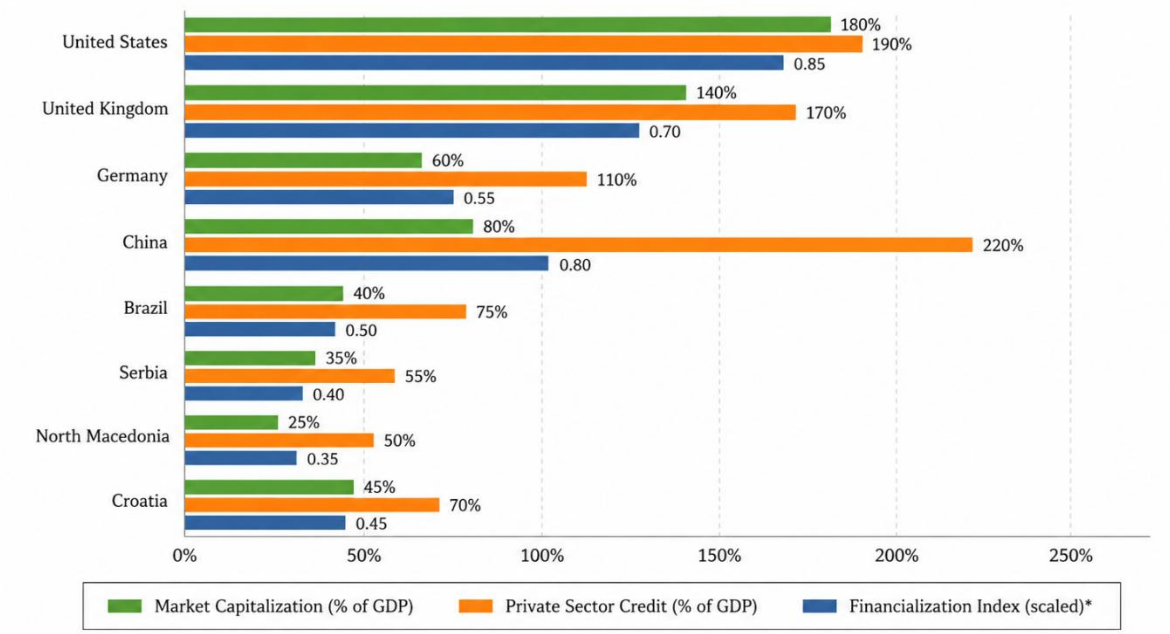
The results also suggest that financialization is closely connected to credit expansion and rising dependence on debt. Easier access to credit has encouraged households, corporations, and governments to rely more heavily on borrowing as a mechanism for sustaining economic activity and consumption.

An additional finding relates to the growing importance of intangible forms of value within the digital economy. Information, user engagement, expectations, and data monetization increasingly function as important sources of market value and financial accumulation, particularly within large technology corporations.

The comparative analysis additionally reveals structural differences between developed, developing, and Balkan economies. Developed economies exhibit higher levels of market-based financialization and stronger separation between financial and productive activities, whereas developing and Balkan economies remain more dependent on banking systems and credit-oriented financial structures.

Finally, the analysis indicates that financialization is increasingly shaped by broader macroeconomic and geopolitical conditions. Inflationary pressures, interest rate fluctuations, public debt expansion, and geopolitical instability significantly influence investor expectations and financial market behavior, increasing the sensitivity of financial systems to uncertainty and speculative dynamics.

Figure 1. Financialization Indicators in Selected Economies



** Financialization Index is a composite indicator (scaled 0–1) based on the three measures: market capitalization, private sector credit, and financial sector size relative to GDP.*

Source: *Author's compilation based on data from the World Bank, IMF, BIS, and OECD.*

4. DISCUSSION

The findings of this study suggest that financialization has become an increasingly important feature of the contemporary global economy. Financial markets and financial mechanisms no longer function only as supporting elements of production and investment, but also influence corporate strategies, patterns of economic growth, and the broader organization of economic activity.

One important aspect identified in the analysis is the changing orientation of corporate behavior. In many cases, corporations place greater emphasis on financial performance and market valuation, while long-term productive investment receives comparatively less attention. This tendency reflects the growing influence of financial priorities within corporate decision-making processes.

The analysis also highlights the increasing importance of intangible and digital forms of value. Economic value is becoming more closely connected to information, data, digital platforms, and user interaction, particularly within technology-oriented sectors. As a result, contemporary forms of financial accumulation are increasingly linked to immaterial resources in addition to material production.

At the same time, the comparative perspective demonstrates that financialization develops differently across economic systems. Developed economies generally exhibit stronger financial market integration, whereas developing and Balkan economies remain more dependent on banking systems and external financial flows. These differences indicate that financialization is shaped by broader institutional and macroeconomic conditions.

Another issue emerging from the analysis is the growing sensitivity of financial systems to uncertainty and instability. Inflationary pressures, interest rate fluctuations, and geopolitical tensions increasingly affect investor expectations and financial market behavior, contributing to higher levels of volatility within global markets.

Overall, the findings suggest that financialization is gradually reshaping the relationship between finance, production, and economic value creation. This transformation may have broader implications for the sustainability and structural balance of contemporary economic systems.

5. CONCLUSION

Contemporary financialization increasingly transforms the way economic value is created and distributed within the global economy. Rather than remaining closely connected to productive investment, financial expansion has become progressively linked to market expectations, asset valuation, and digital forms of accumulation.

The analysis indicates that this transformation extends beyond the financial sector itself and increasingly affects corporate strategies, economic stability, and long-term development patterns. As financial systems become more dependent on speculative dynamics and intangible forms of value, economies may also become more vulnerable to volatility and uncertainty.

These developments raise broader questions regarding the future relationship between finance, production, and sustainable economic growth. Further research should therefore focus on the relationship between the digital economy, technological transformation, and emerging forms of financial accumulation in order to better understand the changing structure of the contemporary global economy. However, if economic value increasingly depends on financial expectations and intangible accumulation, what will remain as the productive foundation of future economic development?

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