

**CENTRALISATION OF CAPITAL AND FINANCIALISATION OF
ECONOMIC GROUPS IN BRAZIL (1994-2012): UNIONS, STATE-OWNED
BANKS AND THE ALTERNATIVE PATHS OF FINANCIALISATION IN
SEMIPERIPHERY.**

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The paper aims – by using economic group level data – to demonstrate how Brazilian Economic Groups increases their size and presence in their national market and also South America and Africa since privatization process. Despite the modest growth of Brazilian GDP in the period, Brazilian largest economic groups had been growing fast and diversifying their activities into new business areas, including biochemical, bioenergy and defense industry. The same could be said to the extent of their internationalisation process, Brazilian largest economic groups had been increasing their presence in many activities in several peripheral countries.

The arguments focus on a major modification in Brazilian largest economic groups, their association with state-owned financial institutions and unions pension funds, which had been drastically increased by the high interests paid by Brazilian Treasury Bonds and the growth of Brazilian stock market. The paper tries to build a political economy approach of the association of these fractions of classes – big bourgeoisie, unionized workers – and part of state bureaucracy in supporting the growth of Brazilian big capital and Brazilian stock market.

The paper presents a panel of 10 Largest Brazilian Diversified Economic Groups data summary – including ownership structure, assets composition, indebtedness and international investment projects – that demonstrates the increasing numbers of joint ventures between Brazilian Largest Economic Groups and pension funds. This process is related to the importance of a series of capitalizations financed by state-owned financial institutions that inflated the size of state-owned companies and stock market. These capitalization processes more than tripled the size of Brazilian Stock Market during the 2000's and create some global players in exploitation of natural resources. Since then, the largest Economic Groups had been occupying news spaces of capital accumulation in Brazilian Economy – such as the recent public projects of infrastructures and defense industry – and also commands the expansion of Brazilian capital in South America and Africa.

Key-words: Financialisation; World-System Analysis; Marxist Political Economy.