

FINANCIALISATION IN THE EUROPEAN PERIPHERY AND THE SOVEREIGN DEBT CRISIS: THE PORTUGUESE CASE^{1,2,3,4}

ABSTRACT

This paper aims to analyze the peculiarities of the process of financialisation in the European periphery, focusing on the Portuguese economy during the last three decades. The emergence of the phenomenon in Portugal is contextualized in an historical, political, economic and international perspective. After, we present indicators to assess the evolution of financialisation, as for instance the importance of financial assets and the financial sector on GDP and employment. The paper concludes that the Portuguese economy presents some symptoms of financialisation, visible for instance in the growth of the financial sector, the rise of the private debt, deregulation of markets, the growing interests of the private sector in health care and road infrastructures, the engagement of non-financial corporations in financial activities, and the high income inequality. The paper concludes that the process of financialisation has put in evidence structural weaknesses of the Portuguese economy, playing a crucial role in the emergence of the recent sovereign debt crisis.

KEYWORDS

The Portuguese Economy, Financialisation, Liberalisation, Deregulation, Integration and Globalisation, Sovereign Debt Crisis

JEL CLASSIFICATION

B50, E44 and E60

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