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Mapping the Future of Financialisation:

Key Challenges for a Foresight Analysis

Giuseppe Fontana

Univ. of Leeds, UK, Univ. of Sannio, Italy

and FESSUD (http://fessud.eu/)





Outline of the presentation

- The Future of Financialisation
 - A foresight analysis: But what is foresight?
 - The foresight diamond and FESSUD foresight methods (Figure 1)
- The Foresight Framework
 - Foresight challenges (Figures 2-3)
 - Overview of Work and Today Talks





The Future of Financialisation

- The main goal of our work is to *explore* the possible evolution of financialisation, the financial sector and relevant policies over a 15 to 20 year time horizon
- Seven Foresight tasks to reflect the main features of financialisation



A Foresight Analysis

- What is Foresight?
 - The action of looking forward and ... The perception gained by looking forward (French tradition of *la prospective* vs. the American tradition of technological foresight)
 - The foresight diamond and FESSUD foresight methods

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Creativity Wild cards Science fictioning Simulation gaming Essays / Scenarlos Acting / Role play Genlus forecast Backcasting SWOT Brainstorming Relevance trees / Logic diagrams Futures workshops Expertise Roadmapping Delphi Surveys Citizen panels Expert panels Morphological analysis Conferences / Workshops Key / Critical technologies Multi-criteria Volting / Polling Quantitative scenarios / SMIC Stakeholders analysis Interviews Cross-Impact / Structural analysis Indicators / SA Patent analysis Bibliometrics Benchmarking Extrapolation Scanning Literature review Modelling Qualitative (15) Semi-quantitative (6) Quantitative (3) Other methods (9) Evidence

Interaction





The Foresight Framework

- Foresight in FESSUD
 - FESSUD (Financialisation, Economy, Society and SUstainable Development) is a multidisciplinary, pluralistic project that analyses a complex issue, i.e. how finance and financial markets can better serve the economic, social and environmental needs of modern societies
 - Dual role of foresight (see next Figures)







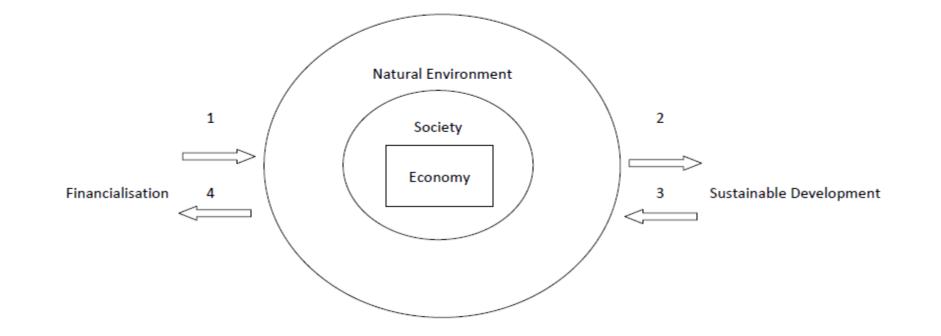


Figure 1: Foresight in FESSUD

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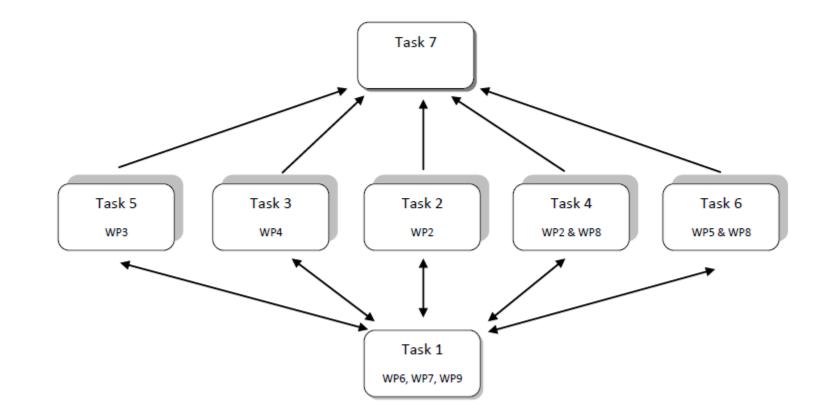


Figure 3: WP11 and related Foresight Tasks



Overview of Work and Talks

 Paper 2: Financialisation, debt and inequality HWR → Stock-flow consistent modeling approach - two

scenarios

namely (a) the debt-led consumption boom type and (b) the export-led mercantilist type

• Paper 3: The Future of Regulation

 $\mathsf{TTU} \to \mathsf{Trend} \; \mathsf{Extrapolation}$

- Paper 4: Future expansion and proliferation of finance: securitization, financial innovation, etc.
 UPV → Delphi method
- Paper 5: Economic Policies, Financial Stability and Economic Performance
 Sciences Po → Trend Extrapolation





- Other FESSUD Works Available (<u>http://fessud.eu/</u>)
 - The Relationships between Finance and Industry

 $\mathsf{NKUA} \to \mathsf{Four}\ \mathsf{Essays}$

- (1) Impact of finance on industry; (2) Finance for long-term investment;
- (3) Finance, corporate governance, CSR; (4) Future of financialisation and finance capital
- Finance, Economic and Social Reproduction

 $CES/SOAS \rightarrow Four Essays$

- The penetration of private finance into areas such as housing, pensions and water and lessons to be learned; (2) the evolution of the material culture of financialisation
- The Future of Finance and the Natural Environment
- The Relationships between Finance and Developing Countries