Survey article on Nordic financialisation in the long run

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Survey article on Nordic financialisation in the long run

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ABSTRACT
Financialisation has become a new buzz word in social sciences, but, although some of the earliest usages of the concept can be found with economic historians, the recent fad has largely been ignored by economic history. This is true also for the Nordic region. This survey article highlights a handful of studies on financialisation in the Nordic countries in general and within Nordic economic history, in particular, but more importantly, it relates Nordic economic history with a long wave approach to a corresponding stance in financialisation scholarship. It concludes that Nordic economic history is in an advantageous position to both shed light on contemporary financialisation with the help of historical examples. Moreover, it is also able to, through the lens of history, problematise some of the assumptions made within financialisation theory. In this, the Nordic region can provide apt case studies as varieties of financialisation over time and space. All in all, Nordic economic history has barely scratched the surface of this potential.

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1. Introduction

In 2005, the American political economist Epstein wrote that ‘In the last thirty years, the economies of the world have undergone profound transformations’ (Epstein, 2005, p. 3) and held that these transformations could be captured in the concepts of globalisation, neoliberalism and financialisation – the latter defined by Epstein as ‘the increasing importance of financial markets, financial motives, financial institutions, and financial elites in the operation of the economy and its governing institutions, both at the national and international levels’. While the first two concepts listed by Epstein had been examined in many books, financialisation had not, he concluded. This changed profoundly a few years later, with the Great Financial Crisis (GFC) of 2007–2008. Since then, the concept of financialisation has rapidly gained both popular and scholarly attention. During the decade after the GFC about a dozen books per year came out on the topic, and the number of journal articles published annually on the topic increased more than four-fold, to almost 400 (Mader, Mertens, & Van der Zwan, 2020, p. 4). The publications encompass several social sciences, such as business administration, (heterodox) economics, political science, sociology, development studies and geography. So far, the attention has, however, not been that great within historical studies (Mader et al., 2020, p. 7). Even so, as a survey article that has an aim to summarise the research within a given area, this article attempts to capture how financialisation has been studied in the context of economic history in general and in Scandinavian economic history in particular. By using a
longue durée approach, the article also identifies a possible route ahead for research on historical financialization in the Nordic region.

After this introduction, a second section surveys financialization research by economic historians and economists in the Nordic countries, whereas the third section discusses the relationship between financialisation theory on the one hand and economic history and economics in general on the other hand. Section four shows that a long wave approach to financialisation provides a useful framework for economic historians, and the fifth section demonstrates how Nordic financial history during the twentieth century can be reinterpreted with such an approach. Section six concludes and identifies, with suggested research questions, areas for future research in Nordic historical financialisation.

2. Financialisation research in the Nordics

Although capturing a broad range of phenomena, the definition by Epstein is perhaps too wide if we want to accurately pinpoint the problem of financialisation. Still, it is close to impossible to avoid the inherent vagueness of the concept and at the same time catch its wide range of research. The definition given by Krippner (2011, p. 27) of financialisation as ‘the growing importance of financial activities as a source of profits in the economy’ is, however, a bit more precise than that of Epstein but wide enough to be useful for this survey. If this is the core problem, then both investigations of its causes and its consequences can be regarded as financialisation research. An alternative yet complementary way to identify the term more concretely is to address its different dimensions. van der Zwan (2014) classifies three main areas or layers in financialisation research: ‘the financialisation of everyday life’, ‘financialisation of the modern corporation’, and ‘financialisation as a regime of accumulation’. This schematic can be used to map out the state of the art of research on financialisation in the Nordic region. The financialisation of everyday life refers to the individual level, at which people have come to rely increasingly on interest rates, amortisation, and financial incomes in their reliance on basic needs such as housing, education, and pensions. The question of financialisation of pensions has been addressed by political economist Belfrage (2008, 2017) in Sweden and by political scientist Anderson (2019) in Sweden, Denmark, and the Netherlands. Hursz (2018), an economic historian, has studied everyday financialisation in Sweden since the 1960s by looking at how banks issued standardised identity cards along with new checking accounts for wages. Another study in this area, with contributions from several Swedish economic historians, is Vardagslivets finansialisering (Andersson, Broberg, Gianneschi, & Larsson, 2016); in English, ‘the financialisation of everyday life’, a scientific report on various spheres where financialisation has left a mark on the economic life of Swedes during the latest decades.

Financialisation of the modern corporation refers to how financial considerations have become a top priority in management. Although it may have produced productivity gains in the short run (Holmstrom and Kaplan 2001), financialisation scholars emphasise long-term negative effects on everything from productive investment and the functioning of financial markets to the distribution of incomes (Hein, 2013; Krippner, 2005; Krippner, 2011, pp. 7–10; Lazonick & O’Sullivan, 2000; Stockhammer, 2004). Shareholder value orientation is of core importance here, as it is often perceived as aligning management with the interests of ‘impatient capital’, most often funds with short investment horizons. This has, according to these scholars, generated an urge among firms to ‘downsize and distribute’ rather than to ‘retain and invest’ – cut costs, pay dividends and buy back shares rather than reinvesting revenues (Lazonick & O’Sullivan, 2000). Moreover, the management style is associated with a heightened frequency of mergers and acquisitions because highly leveraged hostile takeovers of firms with low stock valuation exert a constant threat to owners and managers. Such practice was pioneered by the US investment company Kohlberg Kravis Roberts & Co. (KKR) during the 1980s, Kaufman and Englander (1993) but has since then expanded into common and globalised practice. Shareholder value orientation has been investigated in Denmark by Rose and Mejer (2003) and in Sweden by Jonnergård and Larsson-Olaison
(2016, 2020). Notable case studies with an explicit focus on financialisation also includes *Corporate Governance in Modern Financial Capitalism* by Kallifatides, Nachemson-Ekwall, and Sjöstrand (2010), on the hostile takeover of the Swedish insurance company Skandia. The authors conclude that financial motives have replaced operational ones and radically changed the rationales of different stakeholders. Nachemson-Ekwall (2012) expand the analysis of Skandia with the hostile takeovers of the health company Capio and the truck manufacturer Scania.

Financialisation as a regime of accumulation is about changes at the macro-level, where the augmented role of finance has negative implications for growth and stability in both the short- and the long-terms. Because we will soon see how this macro-level can be said to ‘trickle down’ to the corporate and personal levels, this is arguably the one with the most explanatory power. Because of this, the macro-level will also be the main focus of this article. Of existing research, most – again – is done on Sweden. With a regime approach, Belfrage and Kallifatides (2018a, 2018b) discuss the macroeconomic implications of financialisation in Sweden in recent times, with emphasis on the post-GFC period. In line with a schematic proposed by Hein (2012), they claim that Sweden has embarked on a transition from an export-led growth regime to an unsustainable debt- and asset-led one. Stenfors (2016), a financial economist, on the other hand, argues for the opposite – that Sweden has gone from a debt-led to an export-led, yet financialised, regime since the 1980s. There are also a few studies with an explicit long-run economic historical approach. Business historian Hansen (2014) presents a cultural and narrative analysis on financialisation in Denmark since the mid-nineteenth century. His overall argument is that finance may be detrimental to both financial and social stability if its position is too dominant in society and underpins this with examples from Danish economic history around the turn of the nineteenth century and since about 1980. At the corporate level, the picture may, however, be more nuanced and heterogeneous, he argues. For instance, he shows that at least the narrative was different among bankers in Denmark in the late nineteenth century, where C. T. Tiegen, CEO of Privatbanken, was ‘more cynical and promoted the shareholder value narrative from an early date’ (Hansen, 2014) and quotes of Lorenz Bierfreund, CEO of Discount Bank of Funen, exemplifies a more benign Schumpeterian ‘banker as servant’ narrative. Ahnland (2017), a financial historian, reaches similar conclusions as Hansen about financialisation in a Swedish context and by using econometrics rather than analysing narratives. He suggests, much like Hansen, that financialisation has been experienced two times during the twentieth century – during the first decades of the century and since about 1980.

3. Finance and implicit financialisation

As with economic history in general, Nordic economic history is, however, not exactly abundant with studies on the topic at hand. One might of course argue that economic history, or even economics in general, already addresses financialisation as defined by Epstein, even if the concept itself is seldom used. There is rich research in financial history on some of the aspects that hold centre stage within financialisation scholarship – not least on the relationship between asset bubbles, private debt, and financial crises (Bordo & Meissner, 2012; Jordà, Schularick, & Taylor, 2013; Schularick & Taylor, 2012). Several episodes during which finance has dominated over, and suppressed, production and welfare have been identified. Sometimes, economic historians have even recognised negative long-term impacts from busting asset bubbles, for example the burst of the Mississippi bubble in 1720–1721 delaying the industrial revolution in France (Bilginsoy, 2015, pp. 68–69), or the Wall Street crash of 1929 contributing to the Great Depression.

But where economic history generally view financial crashes as temporary setbacks in an otherwise buoyant financial activity which in the long-run spurs entrepreneurship and structural change (e.g. Rajan & Zingales, 2003; Rosseau & Sylla, 2001), or as a painful but necessary aspect of financial institutional evolution (e.g. Knafo, 2013), financialisation scholarship has an inherently critical approach towards finance (Mader, Mertens, & Van der Zwan, 2020, pp. 16–17).
The optimism has also marked economics in general, at least before the GFS, often referring to financialisation in terms of beneficial financial deepening or development (e.g. King & Levine, 1993; Rajan & Luigi Zingales, 1998). The attitude towards finance has, however, sharpened even among economists previously depicting it in a benign way, and possibly there is a closing gap between the mainly heterodox economists concerned with financialisation and the more mainstream economists. For instance, Rosseau and Wachtel (2011) note that the finance-growth nexus had weakened over time due to an increased frequency of financial crises, and Rajan (2010) is among a growing number of economists highlighting the long-term destabilising impact of rising inequality and private debt levels associated with a growing financial sector.

An increasing frequency of financial crises, rising inequality, and heightened private debt levels are core features in financialisation literature (e.g. Palley, 2013, pp. 17–40). Several recent articles corroborating an inequality–debt–crisis nexus in recent years (e.g. Bartscher, Kuhn, Schularick, & Steins, 2020; Cardaci, 2018; Perugini, Holscher, & Collie, 2016) is symptomatic for the mainstream too. The same applies to more economic historical studies corroborating this relationship since the early decades of the twentieth century (Chang, Li, Gu, & Lei, 2020; Kirschenmann, Malinen, & Nyberg, 2016; Klein, 2015). Ahnland (2017) has found that the relationship is valid for the Swedish economy during the latest century, showing that a high-profit share of incomes has resulted in more liquidity among Swedish banks during the 1920s and since the 1980s and that credit expansion has had a predictive power on financial crises.

4. Financialisation and the longue durée

The Long Twentieth Century by Arrighi (1994) is one of the few renowned international works on historical financialisation. The book contains an early use of the term financialisation (Arrighi, 1994, p. ix) and is the first account of the ‘financialisation as a regime of accumulation’ approach. Inspired by Braudel (1985, 1992) and his concept of longue durée, long duration, in the second and third volumes of the trilogy Civilization and Capitalism, Arrighi claims that financial capitalism rather than being a historical stage, as argued by Hilferding ([1910] 2006), should be seen as a recurrent phenomenon during the history of capitalism from its early infancy in the late medieval Europe to the present. According to Arrighi, financial expansions have occurred in junction with a decline in trade and industry in a wave-like movement and ‘have signalled the transition from one regime of accumulation on a world scale to another’ and ‘are integral aspects of the recurrent destruction of “old regimes” and the simultaneous creation of “new” ones’ (Arrighi, 1994, p. x). Drawing on Braudel, Arrighi exemplifies the Genoese capitalism after 1560, the financial expansion of the Dutch merchant capitalism after the 1740s, the British imperial regime after the 1870s, and the US financial hegemony since the 1970s. In all of these cases, an abundance of money capital emanating from successful trade and/or production generated unsustainable financial overaccumulation.

Although Arrighi and Braudel show that financialisation is a pre-modern phenomenon, in a Nordic setting where a modern financial system evolved later (see e.g. Ögren, 2010 for a discussion), the late nineteenth century is an appropriate point of departure. For instance, Hansen (2014) delimits the first of three periods in his analysis to the 1850–1931 period. Ahnland (2017) starts with 1900 and ends with 1939 for a period he calls ‘the first financialisation and the interwar years’. Non-Nordic scholars make a similar chronology for other countries. Arrighi (1994) concentrates on the hegemon Great Britain when talking about a financialisation which he dates to the post-long depression period starting in the last years of the nineteenth century. This belle époque was marked by extraordinary excesses among the British bourgeoisie, partially at the expense of the country’s working class and rested on overseas financial speculation. The era came to a definite end when Great Britain left the gold standard in 1931 (Arrighi 1994, pp. 201–214). Duménil and Lévy (2013, pp. 10–15) make the same periodisation when discussing mainly US capitalism around this time, as do Fasianos and Pierros (2018). Vercelli (2014) talks more generally about industrial countries when describing the first financialisation. The era was also described in such terms by
contemporary scholars. Veblen ([1904] 1958, pp. 28–29) explains how finance in the U.S.A. dominated production during this period, and *Finance Capital*, the seminal work of Hilferding ([1910] 2006) has been described as an account of financialisation at the time in Austria and Germany (e.g. Krippner, 2005).

In contrast to the first financialisation, Vercelli (2014) and Duménil and Lévy (2013, pp. 15–17) describe a very different regime during the Bretton Woods era, characterised by strict control and supervision of finance, full employment policy, and the expansion of the welfare state. Fasianos and Pierros (2018) conceive the period as one of de-financialisation in the US, characterised by a dominance of the productive sector over the financial one and by the absence of financial crises. After the Bretton Woods crisis of 1973, due to inflation, regulatory arbitrage, and an intellectual shift, this accumulation regime was in turn replaced by the second financialisation of the twentieth century, crystallising in the late 1970s or early 1980s (Arrighi, 1994, pp. 359–378; Duménil & Lévy, 2013, pp. 17–19; Vercelli, 2014). Furthermore, both Vercelli (2014) and Duménil and Lévy (2013, p. 19) claim that the GFC and the succeeding Great Recession marks a structural crisis for the second financialisation, much like how the Great Depression meant the collapse of first financialisation and the Bretton Woods crisis marked the end of the post-World War Two accumulation regime. Altogether, their historical narrative encompasses three wave peaks and three wave throughs, of which two consist of financialisation and one of de-financialisation.

A recognisable analysis can be found with scholars pertaining to the French regulation school, inspired by the longue durée, and its American cousin the social structures of accumulation (SSA) approach. With some variation, both regulation schools hold that each accumulation regime has its own way of organising production and distribution, as well as a set of institutions, where economic policy is one of several aspects. Every regime is, however, doomed to break apart. An essential idea is that capitalism is not, like neoclassical economics claims, prone to equilibrium and that it is not ‘guided in a direction that would enable it to fulfil the capitalist’s dreams of perpetual accumulation’ (Aglietta, 1998, p. 49). During the transition from one regime to another, turmoil and class conflict ultimately lead to a new social compromise and a more or less stable institutional configuration (Jessop, 1997, pp. 291–292; Kotz, 2011; McDonough, Reich, & Kotz, 2010, pp. 1–6). Among these ‘regulationists’, a relevant typology in this context is found with SSA theorists Wolfson and Kotz (2010, pp. 72–74). They propose that there are two types of SSAs (similar to accumulation regimes) – regulated and liberal, and that the liberal SSA of the early twentieth century was very similar to that of the financialised (neo)liberal one since the early 1980s. In contrast, the post-World War Two SSA was a regulated one.

For the neoliberal era, both regulationist schools emphasise a shift from accumulation underpinned by a labour-capital accord manifest in Sweden by the Saltsjöbaden deal and in Denmark by the Hovedaftalen deal, toward a type agreed on by managers and financial elites (Boyer, 2013). But where mainly post-Keynesian economists such as Stockhammer (2004) and Hein (2013) see shareholder value orientation as a cause to stagnation and declined investment, the regulationists – in agreement with Arrighi (1994) and Vercelli (2014) – see it more as a symptom, where financial profits are pursued when profit prospects in production have failed. Boyer (2013) and Kotz (2011) highlight consumer spending among the working class as a prerequisite for investment. During the neoliberal era of declining wage shares, such consumption was financed via debt in the way outlined previously, but once this mechanism faltered after the GFC in 2008, investment did too.

To a varying degree, claims made by regulationists, as well as earlier mentioned financialisation theorists, may appear as generic. For instance, while the historical examples of Wolfson and Kotz are from the US, their claims are general (2010, p. 74). In contrast, the varieties of capitalism literature highlight different forms of capitalism. It focuses on the role of the firm in the economy and observes that firms act differently in liberal market economies (LMEs), with Great Britain (but also U.S.A.) as an archetype, and in coordinated market economies, with Germany as an archetype. In
the former, competitive markets are the main stage, whereas non-market relationships are more important in the latter. For instance, British companies have had access to finance via capital markets and have needed to maintain profitability or be at risk of a hostile takeover, and have done so by being able to lay off workers readily. German companies, on the other hand, have had access to capital independently of current profitability via tight bank connections and have had more long-term relationships with workers (Hall & Soskice, 2001, pp. 5–16).

This difference is also present with the contrasting accounts of financialisation at the turn of the nineteenth century by Veblen about the US economy and by Hilferding ([1910] 2006) regarding the German and Austrian economies. Veblen ([1904] 1958, pp. 28–29) paints a gloomy picture of the corporate world in the U.S.A. in the decades before World War One. In his account, acquisitions at the time were not about industrial investment but about inflating stock prices of the acquiring company. Fasianos and Pierros (2018) show that the income share of the financial sector increased steadily in the country from about 1900–1929 and that the total value of mergers and acquisitions rose dramatically as the stock market rose during the 1920s.

Hilferding is considerably less pessimistic about financialisation in Germany and Austria at the turn of the nineteenth century. While stressing the conflict between labour and capital in a true Marxian spirit, he did not see a conflict between finance and production in the way Veblen did. Rather, he emphasised the increased prospects firms could attain via the stock market, as stocks gave banks more security for making loans for productive purposes ([1910] 2006, pp. 120–122). In contrast, Vercelli (2014) seeks to downplay the differences, claiming that financialisation was more bank-based in general during the early twentieth century and more market-based during the late twentieth century. The latter claim is supported by Berghoff (2016), showing that Germany has become more of an LME since the 1990s, which implies an international convergence during the second financialisation.

5. Long waves of Nordic finance

Long wave theory is familiar ground for Nordic economic historians, although – with the aforementioned exceptions – not explicitly in terms of financialisation. The most prominent Nordic economic historian in long wave theory is probably Schön (2000), who in his An economic history of modern Sweden partitioned Swedish economic history since the late eighteenth century into cycles of about forty to sixty years each. During periods of structural change within those cycles, he acknowledged an expansion of the financial sector due to innovation and credit expansion, with a culmination in financial crises (Schön, 2000, pp. 27–33), although he did not acknowledge an Arrighian finance-trade conflict of interests in the Swedish case. Another example is the business history anthology Creating Nordic capitalism (Fallman, Iversen, Sjögren, & Thule, 2008), which makes use of long waves when periodising Nordic capitalism (Fallman, Iversen, Sjögren, & Thule, 2008, pp. 13–16). Throughout the book, it becomes obvious how liberal financial regulations has coincided with financial expansion.

Financial regulation is even more prominent in theory on macroeconomic policy regimes. It reaches a similar conclusion to that of regulation and financialisation theory that underlying tendencies inherent to a regime eventually leads to its crisis, giving birth to a new and contrasting regime. This line of thought does not blame capitalism per see, however, but economic policy. Drawing mainly on Forsyth and Notermans (1997), economic historians Larsson and Söderberg (2017) show how policy regimes have been central to the evolution of the Swedish financial system. They split twentieth-century financial history among Sweden into three regimes with great recognition among financialisation scholars – the Classical regime, the Statist regime and the Market regime and explain that ‘(…) the Classical regime can be associated with classical liberalism and economic theory; the Statist Regime with Keynesianism and state-oriented policies; and the Market regime with what is commonly referred to as neoliberalism and more market-oriented theories (…)’ (Larsson & Söderberg, 2017, p. 8).
The Classical regime had a bias towards deflation and liberal capital markets internationally. Like Sweden, Norway, and Denmark joined the gold standard in 1873, they also joined an international consensus for price stability (Forsyth & Notermans, 1997, pp. 3–4). Much like in Europe in general, the capital movement was free and banking regulation was lax. As shown by Fellman et al. (2008, p. 298), Danish banks only received a special legal framework in 1919, and Sweden liberalised its banking law in 1911, allowing for a closer connection between banks and the stock market (Fellman et al. 2008, pp. 39–40). In Finland, the laissez-faire of the pre-World War One period was continued in what was dubbed ‘qualified liberalism’ (varauksellinen liberalism in Finnish) during the interwar years (Fellman et al. 2008, pp. 167).

When the deflationary bias of the gold standard became untenable during the early 1930s, it opened up for accommodating monetary policy and government interference on foreign and domestic capital markets. The policy shift also meant a strengthening of labour power and particularly so in the Nordic countries, where the labour movement gained political power in Sweden, Norway, and Denmark, and the foundation for a Keynesian welfare state was laid. Like elsewhere, however, full employment policy and government planning excelled only after World War II. The government kept capital controls intact, interest rates low, and credit rationed and politically allocated in Sweden (Larsson and Söderberg 2017, pp. 43–61), Finland, Norway (Jonung, 2008), Denmark (Abildgren, 2012), as well as in most other industrialised countries (Forsyth & Notermans, 1997, pp. 1–17).

The reorientation of the macroeconomic policy regime after the collapse of the Bretton Woods treaty effectively meant a return to price stability, but except for Denmark, the Nordic countries were latecomers (Forsyth & Notermans, 1997, p. 47). To a lesser extent, this also applies to financial deregulation. As many other countries liberalised their capital accounts from around 1980, Sweden, Finland, and Norway opened their capital accounts fully only in the end of that decade. Before that, however, they embarked on domestic financial deregulation. In a comparison, Jonung (2008) demonstrates how this resulted in a credit-led asset price boom- and bust scenario in all three countries. Denmark also experienced such a scenario, but less dramatic. Since the pause of the early 1990s, private credit has continued to expand, and asset prices have reached new heights in an increasingly globalised and financialised environment.

I would argue that macroeconomic policy regimes have been crucial for financialisation. Free capital movements during the classical and market regimes disciplined domestic policy to conform to price stability at the expense of the bargaining power of labour. Reduced prices and wages were necessary to adjust international payment imbalances during the Classical regime and austerity policy and unemployment provided the same function during the Market regime (Forsyth & Notermans, 1997, pp. 3–4). Weak bargaining power of labour in turn means higher capital shares of incomes (Korpi, 2002), and thus higher liquidity on capital markets according to both the Arrighian narrative and to the inequality–debt–crisis nexus. This mechanism, however, requires smooth intermediation by the financial sector and a lax or accommodating regulatory apparatus. Correspondingly, financial regulation during the Bretton Woods era implied financial repression of bankers and other financial actors. The lack of private funding for employment-generating investment during this era was replaced by government credit allocation. Altogether, this implies that policy has functioned as a regulator of financialisation in the long run. Financialisation has on the other hand also been crucial for macroeconomic policy regimes, as it has had a tendency to prevail until it breaks down the current policy. This is in line with Arrighi’s claims of financialisation as a secular trend, and with Kotz (2011), who hold that ‘financialisation is an ever-present tendency in corporate capitalism and, once neoliberalism released the constraints against it, it developed rapidly’.

Although it is the similarities among countries which strike attention in the macroeconomic policy regime literature, the varieties of capitalism remind us also of the international differences – not least between the Nordic countries. For instance, Fellman et al. (2008) show how Sweden and Finland have had more concentrated banking markets than Denmark and Norway (Fellman et al., 2008, pp. 563–566). Moreover, as a group, the Nordic economies have traditionally been more
similar to Germany than to the Anglo-Saxon countries, with close ties between banks and firms, and between firms and unions. Banks also played a crucial role during the first financialisation in the Nordic countries, much like they did in the case of Germany. Considering the differing images of the first financialisation in the U.S.A. and Germany conferred by Veblen and Hilferding, the question is what is most true for the Nordic countries during this period. On the one hand, one cannot deny that the fast growth of commercial banking at the turn of the nineteenth century was critical for the formation of the many entrepreneurial companies that would become among the greatest in the Nordic region during the twentieth century, such as Carlsberg, Norsk Hydro, Orkla Grube (later Orkla), LM Ericsson, Atlas Diesel (later Atlas Copco) and ASEA (later ABB).

Although there were of course other reasons for this surge in incorporation, the banks played a pivotal role in this particularly from the 1890s, not least by enabling finance through corporate shares as collateral for loans (Schön, 2000; pp. 256–257; Ögren, 2010, pp. 128–142). On the other hand, the financial excesses during the first three decades of the century produced waves of bankruptcies and human misery in the Nordic countries. The speculative and fraudulent behaviour of the Swedish maverick and financial industrialist Ivar Krüger in the late 1920s or the accusations of fraud against Danish banker Emil Glückstadt in the early 1920s are neither flattering for Nordic finance of the time. In these aspects, finance decoupled from production in an Arrighian sense – although the fact that productive parts of the Krüger empire survived in the custody of banks simultaneously calls for a nuanced interpretation. Regarding the second financialisation of the twentieth century, the research by Rose and Mejer (2003), Kallifatides et al. (2010), and Jonnberg and Larsson-Olaison (2016, 2020) on shareholder value and corporate takeovers implies that the Nordic countries too are approaching the LME model in terms of corporate financialisation, much like Germany.

Overall, the ambitious overviews by Schön (2000), Fellman et al. (2008), and Larsson and Söderberg (2017) show that long wave theory is a prominent theme in Nordic economic history and one that fairly easily can be reinterpreted in relation to the financialisation theory offered by Arrighi (1994), Duménil and Lévy (2013), Vercelli (2014), and Fasianos and Pierros (2018), as well as by regulation theorists such as McDonough et al. (2010), Wolfson and Kotz (2010), and Boyer (2013).

### 6. Conclusion

The contributions of this survey article are three: firstly, it surveys research on historical financialisation in the Nordic countries. As it turns out, such research is scant not only in a Nordic context, but also in economic history in general. Except for that of Hadsen (2014), Ahnland (2017), and that of Hursz (2018), most of it concerns the post-1980 period. When broadening the vision, however, it is shown that financialisation has been addressed implicitly and that pieces of the puzzle can be found with several economic historians and economists studying Nordic history.

The second contribution of this article is to show how a long wave approach to financialisation in the Nordic region can be strengthened by considering this implicit research. Economic historical scholarship such as that by Larsson and Söderberg (2017) on Swedish policy regimes and by Fellman et al. (2008) on Nordic business history displays both the context within which historical financialisation has occurred in the Nordic region, as well as specific features of Nordic financialisation historically. By demonstrating that financialisation is a recurring phenomenon, such research can also contextualise current financialisation. The long waves of financialisation and de-financialisation during the twentieth century show that at least to some extent, history does rhyme, so also in the Nordic countries. If we are able to see the recurring patterns on how and when it appears and dissolve, it may actually be possible to learn from history and provide advice for policymakers facing the perils of financialisation. This is social good that we economic historians owe society.

This article barely scratches the surface of the potentials available for Nordic economic historians in this respect – rather an aim is to offer guidance on the road ahead for future research. This is the third contribution of the article. Answers may be attained from comparative approaches over time.
and space which may illuminate varieties of financialisation in the Nordic countries, as well as in capitalism in general. To reach the answers, it is also important to ask the right kind of questions, such as ‘what has been the role of economic policy and institutions during periods of financialisation and de-financialisation?’; ‘what has been the interaction between inequality and financialisation?’; ‘what has been the extent and significance of shareholder value orientation during different periods of financialisation?’, and ‘to what extent has financialisation been a response to stagnation tendencies, and to what extent has it contributed to such?’ These are but few of many interesting questions waiting to be answered by Nordic economic historians in the rapidly growing field of research of financialisation.

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