



Review of International Political Economy >

Volume 14, 2007 - [Issue 4](#)

5,489 | 158 | 29
Views | CrossRef citations to date | Altmetric

Original Articles

The democratization of finance? Promises, outcomes and conditions

Ismail Erturk, Julie Froud, Sukhdev Johal, Adam Leaver & Karel Williams

Pages 553-575 | Published online: 13 Aug 2007

Cite this article <https://doi.org/10.1080/09692290701475312>



Full Article

Figures & data

References

Citations

Metrics

Reprints & Permissions

Read this article

Share

ABSTRACT

This paper analyses the 'democratization of finance' or the promise that all households can make money and/or manage risk by buying appropriate financial services products. It does so by exploring the reasons for discrepancy between what is promised and what can be delivered. Our analysis starts from the economic promises and political pitches for the democratization of finance since the early 1990s and the corollary emphasis on promoting mass financial literacy. The article then identifies three key social preconditions which must be satisfied before the promise is delivered. Evidence and argument from the UK and US suggests that these conditions are not met because the context is confusing, individuals lack calculative competence and products are opaque. Under these conditions felicitous outcomes are uncertain for existing middle class savers and very unlikely for lower income groups. A concluding section relates this

analysis to the cultural economy literature and to the politics of social security versus individual responsibility.

KEYWORDS:

Financialization

financial literacy

democratization of finance

cultural economy

ACKNOWLEDGEMENTS

We would like to thank the anonymous reviewers of the paper for their helpful suggestions.

Notes

1. This paper focuses on the prospects and position of a group that, in principle, has the resources and motives to make decisions about financial products as a way of illustrating some of the fundamental problems around the democratization of finance. Space limits do not allow us to discuss the implications for particular groups who may face specific problems: see, for instance, [Ginn et al. \(2001\)](#) on gender issues in pensions or [Kempson et al. \(2000\)](#) for analysis of financial exclusion and the experienced of groups such as certain ethnic minorities or single mothers.

Related Research Data

[The Blackwell Cultural Economy Reader](#)

Source: Unknown Repository

[The Limits of Metrological Performativity: Valuing Equities in the London Stock Exchange](#)

Source: Competition & Change

[Wealth in America](#)

Source: Unknown Repository

[Performing finance: the industry, the media and its image](#)

Source: Review of International Political Economy

Judgment under Uncertainty

Source: Unknown Repository

The assessment: household saving - issues in theory and policy

Source: Oxford Review of Economic Policy

The financialization of the American economy

Source: Socio-Economic Review

Related research

People also read

Recommended articles

Cited by
158

Information for

Authors

R&D professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

Keep up to date

Register to receive personalised research and resources
by email

 Sign me up

  

  

Copyright © 2026 Informa UK Limited Privacy policy Cookies Terms & conditions

Accessibility



Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG