Index

Account
   money as a unit of 72, 77, 89, 90, 95, 101
Advertising Statistics Yearbook 238
Alami, T. 92
Allais, M. 267
Amadeo, E. 176
Ambiguity 269
Analogy 260, 262
   negative 290
Andersen, E. 268, 276
Andrade, J. and Silva, F.M.L. 150
Andresen, T. 271, 277
Anderson, B. 89
Andrews, P. 290
Annual Census of Production (ACOP) 234–5, 240–41
Anti-inflationary policy 121–37, 139–56
Arena, R. 249, 256, 258
Arestis, P. 16, 19
Arestis, P. and Sawyer, M. 106
Arestis, P. McCauley and Sawyer 20
Arida, P. and Lara-Resende, A. 175
Argitis, G. and Pitelis C. 19
Arthur, B. 271
Arthur, W.B. 271
Artis, M. 14
Asset Prices 44, 61
Auer, M.R., Reuveny, R. and Adler, L. 167
Australia
   Bond rates 196
   Exchange rate equation 188
   Inflation 187, 195
   Interest rates 196
   Monetary commodity prices 187–8, 195, 199–200
   Parsimonious model 196
   Primary commodity markets 188, 193
   World business cycles 199
Bahmani O. and Techaratananchai, A. 92
Balance of payments 34–5, 48, 172
   Surplus 334
Bank money 103, 104
Banking system
   reserves 73, 79
Barter 316
Basar, T. 276
Basil, M. 268
Baumol, W. 310, 312, 314, 315
Bean, C. 3
Becker, G. 310, 314, 315
Behavioral rules 254, 256, 260, 261, 262
   Abstract 261, 262
   Tacit 261, 262
Bell, S. 113, 114
Belief
   Collective 260, 264
   Conjectural 256
   Individual 257, 258, 260, 261, 262
   Irrational 250, 257, 259, 260
   Rational 250, 257, 258, 259, 260
   Structural 256
Berger, P. and Luckmann, T. 86–8, 91, 93, 94
Bernhard, P. 276
Bewley, T. 280
Bibow, J. 3, 16, 20
Blandchard, O. 192–8
Blaug, M. 310, 312, 315
Blecker, R. 153
Blinder, A. 81, 123, 124, 137
Bloch, H. 187–8, 190–91, 194
Blunder-Wignall, A. 190–92
Bonds, government 32, 36–7
Bresciani-Turroni, C. 173, 174
Bresser Pereira, L.C. and Nakano, Y. 182
Brock, W. 271, 278
Brown, L.R. 163
Index

Business Monitor 238

Cadette, W., Levy, D. and Thiruvadanthai, S. 53
Cagan, P. 173
Cagliarini, A. 280
Câmara, A. 182
Câmara, A. and Vernengo, M. 182
Cambridge tradition ix
Camerer, C. 269
Cancian, F. 92
Capacity utilization 5, 19, 46
Capital mobility 139–56
Carbaugh, R.J. 110
Cardim de Carvalho, F., Pires de Souza, F.E., Sicsu, J., Rodriguez de Paula, L.F., and Studart, R. 143
Cardim de Carvalho, F. 182
Castellan, N. 286, 296
Central bank 36–7
Central bank independence 3–4, 10, 11, 17, 19
Cesarano, F. 81
Chartalism 32
Neo-chartalism 33
Chen, Z. 280
Cherubini, U. 280
Chew, S. 267
China 92
Circuit 30
monetary circuit 303
Chiarella, C. 270
Choquet, G. 267
Expected utility theory 267
Clark, J. 212
Clower, R. 231, 310, 314, 315
Clower-Olson approach 231
Colander, D. 85–6
Collective action 261
Collective wisdom 264
Commodities 316
Confidence, state of 270
Contractionary policies 140–56
Convention 261
Conyon, M. 234
Cornford, A. and Kregel, J.A. 131, 137
Costa, C. and De Grauwe, P. 74
Council for Mutual Economic Assistance (COMECON) 157, 159, 169
Courvisanos, J. 205, 208, 215

Couts, K. 292
Credibility 3
Credit 4–5, 60, 63
Credit rationing 338
Creditworthiness 35
Critical realism 287
Currency boards 109–12
Bulgaria 111–12
Currie, D. 276

Davidson, Paul 19, 125, 137, 172, 259, 269, 285, 288
Dawes Plan 175
Dean, J. 92
Debreu 281
Debt 29
Private 35, 44, 45, 49, 60, 64
Debt deflation 45, 60, 62, 64, 113
Debt load 58–61, 66
Decision making process 274
Deficits 29, 31, 33, 173
Deflation 7, 17, 121
Debt deflation 45
DeGrawe, P. 106
Dekel, E. 267
Dequech, D. 269
Desmonde, W. 93
Dickey-Foller Test 193
 Disequilibria 123–30
Distribution of income 227
Domowitz, I.R. 234
Dostaler, G. and Maris, B. 95
Dow, S. 285, 288, 290, 295
Duménil, G. 217–18, 278
Dupuis, P. 281
Dupuy 264

Eastern Europe 157–71
Energy sector 160–64
Environmental degradation, concern for 158–69
Privitization 165–7
Eatwell, J. and Taylor, L. 147, 151
Econometrics 285, 286, 287, 289
Critical realism and 285, 287, 288, 291, 293, 294
Economic growth and development 334
Index

Economic imperialism 335
Economic Restructuring 159–71
Edwards, S. 123, 137
Effective demand 4–5, 128, 259, 302, 303, 324, 334
Eichengreen, B. and Von Hagen, J. 106
Electronic money 70, 71, 73–5, 79–81
Elliot, R. 281
Ellis, H. 174
Ellsberg, D. 267, 280
Paradox 267, 268
Emerging market economies 139
Employment 5, 15, 16
Employment, free trade and mercantilism 335
Epstein, L. 280, 281
Equilibrium 238
Concept 3, 121, 276
Market 261
Markov perfect 275
Equity bubble 51, 54, 60, 64
Euphoria 44, 65
European Bank for Reconstruction and Development (EBRD) 164
European Investment Bank (EIB) 164
European Union 3, 108
Enlargement 167
European Central Bank (ECB) 3, 12–18, 20, 70, 82, 106, 107
Economic growth and development in 3, 334, 345
Stability and Growth Pact 17, 18, 106
International trade 344
Labor productivity 5, 6, 17
Monetary union 3, 11, 12, 16, 18, 20, 39, 106–108, 347
Unemployment 12, 15
Exchange rates 44, 47, 122, 123, 133, 136, 173, 176
Argentina 109, 135, 136
Exchange Rate Mechanism 240
Fanning, C. and O’Mahoney, D. 65
Fama, E.F. 72
Federal Reserve Bank 13, 18, 20
Feldstein, M. 137
Fiat money 32
Finance motive 302, 303
Financial crises 121, 135, 146, 147
Financial fragility 44, 50, 52, 64
Financial liberalization 132, 139–56
Finch, J. 289
Fiscal policies 106, 135
Fishburn, P. 267
Fisher, I. 61, 113
Flaschel, P. 270, 277
Fleetwood, S. 253
Foley, D. 270, 281
Forder, J. 3
Foreign direct investment (FDI) 165–8
Franke, R. 270, 277
France 214, 218–19
Freedman, C. 75, 76, 82
Friedman, B. 73, 74, 78–9, 81
Freeman, C. 212
Foley, D. 102, 103, 114
Foreign currency reserves 111, 112, 115
Full employment
Political aspects of full employment (PAFE) 228
Functional finance 100, 108, 111
Furness, W.H. 96–7
Furtado, C. 175
Garagnani, P. ix
Garrouste 256, 261
General Agreement on Tariffs and Trade (GATT) 170
Generalized Instrumental Variable Estimation Technique (GIVE) 197–8
Germany 214, 218–19
Geroski, P. 292
Gilbert, M. 85, 93
Gilboa, I. 267
Ginsburg, J. 164
Globalization 339
Destabilizing movements of capital 338, 342
Export-led growth and 335
Imports promotion 337
Corporations’ financial power 339, 340
Godley, W. 34, 66, 107, 270, 292
Goodhart, C. 71, 75, 82, 105, 113
Goodwin, R. 208
Grabel, I. 115
Graham, F. 174
Grant, S. 280
Great Britain 339
Index

Great Depression 220
Greenfield, R.L. and Yeager, L.B. 72, 81
Greenspan, A. 35, 39
Gregory, R.G. 190, 192
Gruen, D. 190, 192, 198

Haavelmo, T. 286
Hahn, F. 278
Hahn, F. and Solow, R. 137
Hall, R. 290, 293
Hanke, S. and Schuler, K. 111
Hansen, L. 268, 274, 275, 276, 277, 278, 279, 280, 281
Harcourt, G. 278
Harrod R. 337
Hassul, M. 281
Haustein, H.-D. 219
Hawken, P., Lovins, A., and Lovins, L.H. 164
Hayek, F. 249, 250, 253, 254, 255, 256, 257, 258, 261, 262, 263, 264, 265
Heath, A. 280
Hefeker, C. 140
Hein, E. 10, 19, 20
Heine, M. and Herr, H. 14, 19
Helfferich, K. 174
Hendry, D. 286, 287, 295
Hicks, J. 104, 125, 325
Hitch, C. 290, 293
Hoarding 323
Hobbes, T. 93
Holland, J. 271
Hommes, C. 271
Hong Kong 92, 109
Hubbard, R.G. 234
Huerta, A. 142
Hyperinflation 172–84

Import penetration 234–5
Induction 260
Inequality 26, 38
Inflation 3–4, 7, 13, 15–16, 17, 29, 172–84
Argentina 135
Balance-of-payments theory 172, 176–81
Conflict models 173
German school theory 172, 174
Latin American neo-structuralist view 172, 175

Latin American structuralist theory 175
Mexico 144
Neo-classical interpretation 173
Post Keynesian view 172
Infrastructure 38
Ingham, G. 85, 89, 91, 93, 94, 96
Innovation 205–207, 219, 222
dynamics 206
Radical vs. incremental 206–207
Stages of lifecycle 207
Institutions 4, 86–7
Interest rates 4, 5, 15, 29, 36, 121–37, 172
Exogenous 36
Overnight rates 77
Theoretical case for lower interest rates 37–8
International financial statistics 193
International Monetary Fund (IMF) 35, 57, 115, 121, 162, 188, 193, 341, 342
International trade 35
New mercantilism 334
Investment 49, 54, 65, 125
Two price model of 45, 49
Transfer of developing countries’ saving 337
Ioannides 261
Israel 92
IT revolution and central banking 69, 72–6, 78–80
James, M. 281
Japan 214, 218–19
Economic growth and development in 334
Juniper, J. 280
Kaldor, N. 80, 82, 125, 175
Degree of monopoly 227–8, 230–33, 244
Endogenous innovations 206
Extended reproduction model 207
Investment activity 220
Political aspects of full employment (PAFE) 228
Theory of Economic Dynamics 227–8, 231
Index

Theory of Income Distribution 227–8, 244
Pricing Analysis 187–8
Susceptibility cycle 213, 215
Katz, L. 192–8
Keen, S. 270
Kenen, P. 115
Effect 269, 270
King, J.E. 227, 243
King, M. 82
Kittel B. and Traxler F. 10
Kleinknecht, A. 213
Knapp, G.F. 103
Knowledge
Hayek and 253, 254, 263
Keynes and 250, 251, 254, 258
Social division of 255
Korean War 217
Kregel, J.A. ix, 105, 131, 258, 259, 260
Kreps, D. 280
Krugman, P. 123, 137
Kyoto Protocol 161
Labor productivity 5, 6, 17
Ladd, J. 92
Lakonishok, J. 271
Laramie, A. 227–8
Latin America
Debt problems 142
Inflation 121–37, 139–56
Stabilization programs 121–37
Lavoie, M. 19, 270
Lawson, M.L. 166
Layard, R. Nickell, S. and Jackman, R. 8, 19
Leamer, E. 286, 287
LeBaron, B. 271
Lee, F.S. 290, 294
Lehnert, D. 206
Leijonhufvud, A. 310, 314, 315
Lemmen, J. and Goodhart, C. 115
Lender of last resort 75, 76
Leontjeva, E. 110
Lerner, A. 100–102, 104, 105, 111, 113, 114
Levine, P. 276
Lévy, D. 217–18, 278
Lewis, D. 84–5, 92
Liquidity preference 31, 52
Locke, J. 93
Lucas, R. 278
Lund, P. 291, 292
Luxembourg R. 335
Machin, S. 234
Macroeconomic Stability 121, 136
Magill, M. 278
Mair, D. 227–8
Maizels, A. 188
Malthus T.R. 320
Marinacci, M. 280
Mark-up 233, 238, 244, 290, 291, 294
Estimation of 233–8
Market Economy, models of transition to 157–8
Market Failure 121
Marshall-Lerner condition 4
Marx, Karl 6, 334, 335
McCallum, B. 291, 292
McKinnon, R. and Huw, P. 132
Means, G. 290, 294
Means of payment 71, 102
Mearman, A. 285, 286, 287, 288, 289, 290, 293, 294, 295
Means of production 210–12
Medium of exchange 72, 85, 87, 88
MERCOSUR 345
Mexico 139–56
1995 crisis 121
Competitiveness with United States 145–8
Unemployment 143, 153
Mill, J.S. 316–21
Millier, J. 115
Minsky, H. 44–6, 49–50, 52, 61–2, 102, 113, 114, 270, 274, 280
Mirofushi, T. 280
Mises, L. von 114
Mitchell, W. 285
Monetarism 230, 325
Monetary policy 124–37, 139–56
Monetary policy and liquidity preference 31
Monetizing the debt 107, 121
Money
   As a creature of the state 32
   As a social relationship/convention 84, 89, 91–7
   As a unit of account 72, 77, 89, 90, 95, 101
Conventional 72–5, 79–81
Chartal means of payment 102
Creation of 30, 32
Electronic money 70
Fiat money 32
Hierarchy 101–105, 107, 114
Means of circulation 318
Non-neutrality 124, 136
Object 86, 94–5
Origins 30
State money approach 114
Substitutes 80
Taxes-drive-money approach 95–6, 102, 105
Money supply 110, 173
Monopoly 334, 335, 336, 340
   Degree of monopoly 227–8, 230–33, 244
Moore, B.J. 19, 144
Morck, R., Shleifer and Vishny R. 46
Morgan W. 188
Mosler, W. 107
Mundell, R. 123
Mundell-Fleming Model 123
National Income Identity 33–4
Needelman, J. 95
Neild, R. 291, 292, 293
Neo-Chartalists 95–7
Neuworth, E. 219
New Keynesians 7, 301, 302, 321
New mercantilism 334, 335, 339, 341, 343, 344
Newton-Raphsen interactive method 194
Network effect 71
New Monetary Economics 73, 81
Non-accelerating-inflation-rate-of-unemployment (NAIRU) 7–11, 13, 15, 17–18, 19
Nordhaus, W. 292
Noyola, J. 175

O’Connell, S. 270
Olekalns, N. 196
Olive, M. 191
Olivera, J. 182
Olsen, M. 228–31, 236
   The Logic of Collective Action 228
   The Rise and Decline of Nations 228
   Selective incentives 228–9, 231, 244
   Operatives wages 240
   Ordinary least squares 286
Organisation for Economic Co-operation and Development (OECD)
   161, 162, 188, 193, 224
Orthodox approach 121–37, 149, 153
Ortiz, E. 123, 125
Ortiz, E. and Motamen, S. 123
Pagan, A. 191, 198, 287
Palley, T. 270
Panico, C. 270
Parrinello, S. ix
Pasinetti, L.L. 106
Pentecost, E. 137
Petersen, I. 281
Peterson, B.C. 234
Phillips Curve 191–2
Pigou Effect 269, 270
Poisson distributed random process 206
Poisson regression 220
Pollin, R. 285
Porteus, E. 280
Prebisch, R. 127
Presser, F.M. 150
Price stability 3, 14, 18
Prices 173
   Short run world pricing equation 189
Pricing behavior 290, 306, 336, 337
Prisoners’ Dilemma problem 228
Probability 259
   Sub-additive 268
   Subjective 252
   Theory of 252
Product differentiation 244
Productivity 37–8
Profitability 125
Profits 44, 45, 49–52, 304, 305, 312, 335, 337, 341
Purchasing power 196
   Purchasing power parity index 223
Index

Purchasing Power Parity Principle 141

Quantity Theory of Money (QTM) 113, 173, 181
Quiggin, J. 280
Quinzii, M. 278

Radford, R.A. 92
Ramsay, J. 289
Regan, P. 227, 242
Regression, average economic 286, 287, 288
Reynolds, P. 227, 236
Ricardo, D. 312, 323
Riccati equation 276
Risk 269
Rochon, L.-P. 95
Robinson, J. 333–43, 345, 346
Ros, J. 123
Rosenberg, N. 213
Rowthorn, R. 173
Runde, J. 290
Rushdy, F. 291, 292

Sahal, G. 206
Santomero, A. and Seater, J. 81
Sapsford, D. 188, 194
Sardoni, C. and Verde, A. 81
Sargent, T. 268, 274, 275, 276, 277, 278, 279, 281
Savage, L. 267
Saving 47, 54, 125, 303, 306
Sawyer, M. 19, 107, 205, 227, 292
Say J.B.: 311, 316, 318, 319, 321, 323
Say’s Law 303, 311, 324
Sayer, A. 289
Schenk, C.R. 92
Schmeidler, D. 267
Schmidt-Bleek, F. 160
Schneider, M. 280
Schumpeter, J. 205–206, 208–209, 213, 310, 312, 334, 335
Clust-Bun effect 208, 213, 224
Evolutionary dynamics 205–206, 208–209
Innovation dynamics 206, 224
Schumpeterian Cycle 213
Schumpeterian Dynamics 216, 219
Semmler, W. 270, 271

Shalian, B. 281
Shock therapy 158
Short run world pricing equation 189
Siegel, S. 286, 296
Silverberg, G. 206, 213
Sims, C. 286, 287
Small open economy 122–37
Smith A. 312, 323
Smith, G. 292
Single internal market 240
Snowdon, B., Vane, H., and Wynarczyk, P. 137, 302
Social mobility 25
Soete, L. 212
Sonnenschein 281
Southeast Asian crisis (1997) 121
Specialization index 238, 241
Sraffa, P. ix
Stabilization programs 135
Stagflation 219
Standard Industrial Classification 240
Standard of value 89
State
New mercantilism 336
Sovereignty 347
State money 102, 103
Steindl, J. 210
Stevens, Ed 114
Stiglitz, Joseph 121
Store of value 91
Structural adjustment 219
Structural change 121–37
Structure-Conduct-Performance (S-C-P) paradigm 232
Subjectivism 255, 258
Sugden, R. 93
Sugeno, M. 280
Sunkel, O. 175
Sustainable development 159–71
Swanke, T. 85–6, 91, 92
Sylos-Labini, P. 292

Tainter, J. 171
Tallarini, T. 268, 274, 275, 276, 281
Tavares, M.C. 140, 144, 146, 147
Tax 39
Death tax 27
Estate tax 27, 28
Inheritance tax 26–7, 28
Taxes-drive-money approach 102
Index

Taylor, C. 115
Taylor, L. 182, 270
Taylor, P. 271
Terms of Trade 190
Tcherneva 85
Thompson, C. 192, 198
Tobin, J. and Galub, S. 104
Trade unions 233
Tversky, A. 267, 280
Two-price theory 46–7

Uncertainty 252
  Aversion 267, 268
  Fundamental 269
Unemployment 8, 12, 15, 30, 121, 301–308
Unions 6–7
Unit prime cost 191
United Kingdom 214, 218–19, 240
United Nations 342
United Nations Conference on Trade and Development (UNCTAD) 140, 145
United States of America 214, 217–19, 220
  Dollar determination 94
  Federal Reserve System 13, 18, 20
  International trade and 344
  Patent system 223
Uribe, M. 92

van der Hoek, J. 281
Van Duijn, J.J. 219
Vanberg 257, 258
Vercelli, A. 213, 279, 281
Veronesi, P. 281

Wages 177–8
  Wage and price stickiness 301, 303, 306
  Wage curve 192
  Wakker, P. 267, 280
Wallstrom, M. 168
Walras L. 314
Wealth 24–43, 47
  Defined 24
  Democratization of 25
  Distribution 25–6
Weatherford, J. 90
Weber, M. 269
Weil, P. 280
Wilkinson, J. 190
Williamson E.O. 341
Williamson, J. 110
Wilson, T. 90
Winters, L.A. 194, 196
Woodford, M. 76–8
World Bank 121, 164, 167, 342
World Trade Organization (WTO) 35, 170, 341, 343, 344
World War I 217
World War II 217, 220
Wray, L.R. 95, 96, 102, 103, 104, 105, 113, 114, 137, 182
Zhang, J. 280
Zin, S. 281
Zelizer, V. 91, 94