

Index

- accelerator 63
accommodationism 149–50
Acheson, D. 30
action, decision and 56–7
adaptive rationality 100, 100–1
Adelman, I. 209
adulteration 26–7
aesthetics 41–2, 109
aggregate demand 46–7, 60
aggregate employment 81–2
aggregate output 81–2
Akyüz, Y. 223, 242
Allais, M. 167
Allen, W. 247
allocation of labour 78–80
Amariglio, J. 107, 120–1
ambiguity 166–72
Amsterdam conference, October 1919
 27
analogy 11, 13
anarchy 138
Angell, J.W. 247
animal spirits 19–20, 39–40, 41
anomic wage structure 79–80
anthropogenic labour economics 85
arbitrage 202, 228
arche-writing 115–16
Arestis, P. 70, 72, 77, 82–3, 84, 150
Arrow, K.J. 166–7
articulation 119, 121, 123
‘as if’ theorizing, limits of 10–14
Asimakopulos, A. 55, 57
assumptions 13
asymmetric information 130–3, 142–3
atomism 108, 110, 112
auctioneer 66
Aumann, R. 167
Austria 188

Baconian probabilities 169
balance of payments 242
balance of power 138, 140, 143

balanced trade 251–2
‘bancor’ system 208–9, 215
Bank of England 28
Bank of International Settlements 235
banks 148
 lending in monetary circuit 156–9,
 160–1
 money supply endogeneity 149–56
bargaining, wage 74–5, 84–5
Bateman, B. 109
Bayesian rationality 88, 104
 and learning 96–7, 100–1
Bayesian theory 165, 166–72
‘bears’ 205, 207
beauty contest 179–81
Begg, D.K.H. 94
behavioural rationality 89–90
behaviour speculation 176
below-capacity theorem 23–6, 32
Benthamism 41
Bergson, H. 20
Beveridge, W. 243, 244
Bhaskar, R. 112, 113
bilateral agreements 29–30
Binmore, K.G. 99
Blecker, R. 242
bonds 36–7
Booth, A.L. 71
bounded rationality 133–5
Brady, M. 168
Bray, M. 95
Bretton Woods system
 breakdown 189–90, 214
 golden age of economic
 development 209–11
Brown-Collier, E. 106
Brue, S.L. 85
bubbles 229
budget constraints 75–7
budget deficits 190–1, 192–3
‘bulls’ 205, 207
Bundesbank 194

- calculable risk 173
- calculation 20
- Camerer, C. 229
- Campbell, J.Y. 225
- Cannan, E. 149
- capacity utilization 248–9
- capital
 - income share 196–7
 - supply price of 56, 57–9, 60
 - uncertainty and speculative flows 204–9
- capital controls 203, 225–6
- capitalism 141–2
- Capponi, O. 60
- Carabelli, A.M. 106, 109, 110
- Card, D. 72
- cartels 30
- Caserta, M. 59
- casual employment 76
- central banks 158
 - IMCUs 216
 - money supply endogeneity 148, 149–53
 - and speculative flows 206
 - supranational central bank 208–9
- centralized planning 133
- Chick, V. 59, 60, 64, 65, 102, 165
- chicken-processing plants 38
- Choquet expected utility 94
- Clarke, P. 192
- class conflict 249
- clearing system, international 215–20
- Clearing Union 30
- coal industry 28
- Coase theorem 129
- Coddington, A. 106
- coercive comparisons 71
- cognitive rationality 89–90
- Cohen, J. 169
- collusion 73
- colonialism 135–6
- command economy 133
- commodities 29, 30–2, 139
- Common Agricultural Policy 189
- company wage policy 72–3
- comparative advantage 239, 245, 251–2
 - history of economic thought 246–51
 - as a special case 240–3
- competition
 - imperfect *see* imperfect competition
 - Keynes and 45, 49–50, 51
 - perfect 46, 47, 51, 104
 - welfare tensions within EU 188–9
- competitiveness, international 250–2
- complex magnitudes, comparisons of 168
- compromise 3, 55–67
- conflict, violent 4, 128–47
- consequentialism, limits of 10–14
- consistency, internal 55–6
- constancy 16–17
- consumption 59
- contracts
 - international clearing system 216–17
 - voluntary 4, 128–47
- contradictions 132
- convention 7
- convergence, financial 192–9
- Cornford, A. 223
- Cornwall, J. 83, 84, 85
- cost minimization 72
- Cottrell, A.F. 165
- Council of Economic Advisers 34–5
- creative learning 89, 97, 99–100, 100–1
- creative rationality 99–100, 100–1, 104–5
- credit
 - endogenous supply 148, 149–56
 - international 217, 219–20
 - monetary circuit 156–9
- crisis prevention 202–3, 208–9
- critical realism 107, 113
- Curley, S.P. 169
- currency
 - demand for 230–1
 - devaluation 235–6, 242
 - see also* foreign exchange markets; *and under individual currencies*
- currency union 220
- Dalziel, P. 156
- Davidson, P. 65, 72, 106, 120, 204, 235, 242
- Davis, J.B. 106, 107, 109, 113, 165
- Dawes Plan 215
- De Bondt, W. 166
- De Finetti, B. 92
- Debreuvian commodities 139
- debt, international 217, 220
- DeCanio, S.J. 94

- decision criteria 93–4
 decision theory 92–4, 98, 102–4
 decisions
 consumption decisions 59
 effect of uncertainty on 14–17
 investment decisions 56–7
 limits of ‘as if’ theorizing 10–14
 optimization 9–10
 deconstruction 121–2
 deficits
 fiscal 190–1, 192–3
 trade 217–18, 219–20
 Delors Reports 190, 191
 demand 28
 aggregate 46–7, 60
 for currency 230–1
 endogenous money supply 149–56
 falling demand curves 25
 Keynes’s theory of investment 60–6
 limitation 61, 65–6
 Dempster-Shafer’s rule 167
 Depression 28, 213
 Derrida, J. 3–4, 106, 107
 perspective and organicism 107,
 113–24
 designing rationality 89, 99–100, 100–1
 devaluation 235–6, 242
 development, economic 209–11
 Diaconis, P. 99
différance 115, 117, 126
 discourse, material character of
 118–22
 dissemination 118–19, 123
 distribution 196–7
 diversity 16
 of opinion 183
 Dixon, H. 46
 Dobbs, I. 169
 dollar 201–2, 236
 domestic investments 28
 domestic labour 77
 Dornbusch, R. 229
 D’Orville, H. 232–3
 Dosi, G. 248
 Dow, J. 103, 166, 169
 Dow, S.C. 150
 Dunlop, J.T. 71

 Eastern bloc 141–2
 econometrics 2, 43

 economic criterion 41
 economic development 209–11
 economic fundamentals 229–30
 economic inequality 78–80
 economic man 20–1, 124
 Economic and Monetary Union
 (EMU) 190–1, 192, 194, 199
 welfare view 191
Economic Report of the President 34–5
Economist, The 212
 Edgeworth, F.Y. 74
 education 114, 129
 efficiency 129
 efficiency wage 77
 international clearing system
 218–19
 efficient markets hypothesis 230
 Eichengreen, B. 201, 203, 207, 226,
 235, 235–6, 237, 245
 Eichner, A.S. 52, 70, 73, 85
 Einhorn, H.J. 168
 Ellsberg, D. 93, 167
 emerging markets 141–2
 employment 68–9
 aggregate 81–2
 enclosures 135
 endogenous monetary theory 4,
 148–64
 accommodationism vs structuralism
 149–56
 monetary circuit 148, 156–9
 money as purchasing power and
 store of wealth 159–62
 ends and means, fusion of 137–8
 entrepreneurs 13, 182
 environment 191, 197–9
 epistemic probabilities 10
 Epstein, L. 96, 99, 166, 169
 equilibrium 48, 60
 eternal objects 111, 118
 ethical subjectivism 110
 Europe 212–15
 post-First World War 214–15
 post-Second World War 187,
 212–14
 European Central Bank 191
 European Commission 191, 197–8
 European Monetary System (EMS)
 189, 190, 194
 European Parliament 191, 196

- European Union (EU) 5, 186–200
 - enlargement 188
 - European integration and the welfare state 186–8
 - welfare tensions 188–90
 - see also* Maastricht Treaty
- Evans, G.W. 94
- evolution 20
- ex ante* decisions 56, 57–9
- ex post* results 56, 57–9
- excessive credits 217
- excessive reaction 166
- exchange rate
 - adjustment and unemployment 242
 - fighting speculation in foreign exchange markets 205–8, 216, 218–19
 - variability 194, 195
 - volatility 225, 226–32
- Exchange Rate Mechanism (ERM) 236–7
- exchange rate systems 189–90
 - fixed exchange rates 190, 209–11, 236–7
 - flexible exchange rates 211–12, 226–32, 236, 242
- exchangeability 98
- executive salaries 37–8
- expectations
 - Keynes and 175–6, 181–2, 184, 228
 - long-term 61–5
 - rational 13, 94–6, 104, 228, 230
 - rationality, uncertainty and 7–9
 - shared by majority 181–2
 - speculation in foreign exchange markets 204–9
 - speculation and volatility 228–30
- expected utility maximization 93
- expected utility theory 130
- exports 243
- factor endowments theory 239
- factor proportion theorem 33
- fads 229
- fallacy of composition 66
- false rumours 179–81
- fascism 137, 141
- Federal Reserve 43
- Felix, D. 230, 233
- financial constraint 161–2
- financial convergence 192–9
- financial fragility hypothesis 155
- financial innovation 104
- financial markets 4, 36–7, 165–85
 - ambiguity and Bayesian theory 166–72
 - speculation 172–84
 - traditions in analysing 227–30
- financial press 36–8
- financial sector 38
 - taxation 225, 237
- financial system 31
- Financial Times* 212
- Finland 188
- firms 161
 - company wage policy 72–3
 - monetary circuit 156–9
 - non-union firms 77–8
 - small 63–4
- First World War 214–15
- fiscal deficits 190–1, 192–3
- fixed exchange rate systems 190, 209–11, 236–7
- fixed input coefficients 73
- flexibility, price 47–9
- flexible exchange rate systems 211–12, 226–32, 236, 242
- fluctuations, market 177, 179
- forecasting 175–6, 178
- foreign exchange markets 5, 201–22
 - capital uncertainty and speculative flows 204–9
 - global economy after breakdown of Bretton Woods 211–12
 - golden age of economic development 209–11
 - international clearing system 215–20
 - Marshall Plan compared with Treaty of Versailles 214–15
 - resolving trade imbalances 212–14
 - Tobin tax *see* Tobin tax
 - volume of transactions 223–5, 233–4
- foreign investments 27–8
- forward commodity markets 31–2
- forward contracts 226
- Foucault, M. 119, 121, 136
- Fourgeaud, C. 95
- France 196, 215
- Frankel, J. 225, 232–3
- free markets 30

- free-rider problem 132
 free trade 240–1, 244–5, 249–50
 Freedman, D. 99
 Freeman, R. 77, 79
 Freud, S. 20, 115
 Friedman, M. 10, 13, 228
 Froot, K. 225
 Fukuyama, F. 141
 full man 20–1
 fundamentals, economic 229–30
 Funk, W. 29
 fusion of ends and means 137–8
- G7 208–9
 gambling 173–5, 178
 game theory 128–9
 Garber, P. 203
 Gärdenfors, P. 93, 168
 GDP 191, 209–11, 213–14
General Theory, The (Keynes) 7, 32, 34, 45, 102, 104, 110
 and below-capacity theorem 24, 25, 26
 deficiencies in Keynes's theory of investment in 55–67
 many layers of 40–3
 open economy foundations 243–5
 reason and uncertainty 19, 20, 21–3
 speculation 172, 175–84
 genuine judgment 179–80
 Germany 187, 188, 194, 214–15
 Ghirardato, P. 92
 Gilboa, I. 93, 99, 103, 168
 globalization 252
 God 118
 gold reserves 214
 gold standard, return to 28–9
 Good, I.J. 167
 government bonds 36–7
 Graziani, A. 156, 159, 161
 Great Depression 28, 213
 Greece 188
 Greenaway, D. 203
 Greenspan, A. 202
 groups 133–4, 143
 gut-rehab workers 38
- Hahn, F. 33
 Hamouda, O. 106, 111
 Harcourt, G.C. 242
 hard uncertainty 93–4, 101, 103–4
 Hargreaves Heap, S. 75
 Harrod, R. 33, 41, 63, 244
 Harland, R. 115
 Harvey, J. 242
 Hayek, F.A. 13, 48, 131
 Hegelian organicism 110–11, 117–18
 Heckscher, E. 239
 Herodotus 178
 Hicks, J.R. 41, 58, 74–5, 102, 159, 201, 204
 Hieser, R. 75
 Hewitson, G. 154
 Hindess, B. 120–1
 Hirschman, A. 137–8
 Hirst, P. 120–1
 Hofman, H. 190
 Hogarth, R.M. 168
 Hollywood 33
 Holtham, G. 235
homo economicus 20–1, 124
 Hong Kong 234
 Honkapohja, S. 94
 households 156–9, 161
 Howells, P. 150
 humanistic education 129
 Hume, D. 10–11, 246
- identity 123
 bounded rationality and 133–5
 logic of 114, 116–17
 material character of discourse 118–22
 imperfect competition
 below-capacity theorem 23–6
 Keynes's theory of investment 61, 61–6
 market structure, uncertainty and unemployment 2–3, 45–54
 imports 243
 income 56
 income distribution 196–7
 income inequality 37–8
 incomes policy 85
 tax-based 74–5, 78
 incomplete contracting 130–3
 increasing risk, principle of 60
 indeterminacy 12–13
 indeterminate probabilities 168
 India 26
 individual, and market 173–4

- individual labour supply 75–7
- indivisibilities 133–40
- industrial relations 77–8, 85
- Industrial Revolution 210
- inequality
 - economic 78–80
 - income 37–8
- infinite freeplay 121–2
- inflation 43
 - convergence in EU 193–6
 - wage inflation 82–3
- information
 - accurate 176
 - asymmetric 130–3, 142–3
- institutions 189
 - supranational 130, 142–3
- insurance 173
- integration, European 186–8
- interdependence 21
- interest rates 28, 102, 234
 - EU 194–6
 - monetary debate 150–6, 158
 - trade and 242, 247–8
- internal consistency 55–6
- international clearing system 215–20
- international commodities 29, 30–2
- international competitiveness 250–2
- international coordination 234–5
- International Monetary Fund (IMF) 234, 235
- International Money Clearing Unit (IMCU) 216–20
- international relations 138–40
- international trade *see* trade
- intertemporal coherence 96–7
- intransitivity 15–16
- introspection 38
- inventories 31
- investment 3, 55–67
 - current outcomes and long-term expectations 61–5
 - decision and action 56–7
 - demand limitation and market forms 65–6
 - ex ante* and *ex post* 57–9
 - foreign and domestic 27–8
 - slope of *mec* 59–61
 - speculation and 175, 177–8
 - uncertainty and 47, 50–4
 - savings and 52–4
 - irreversibility 97–9, 100–1
- Isard, P. 229–30
- ISLM 41
- isolation, method of 109, 116–17
- Japan 234
- Jensen, H. 247
- Jespersen, J. 187, 189
- Jones, R. 102
- judgment 13–14, 179–80
- jute 26–7
- Kahn, R.F. 60, 62
- Kahneman, D. 166–7
- Kaldor, N. 45, 151
- Kalecki, M. 23–4, 52, 82, 84
 - critique of Keynes's theory of investment 55, 56–67
- Kaleckians 68
- Kaul, I. 234
- Kenen, P.B. 203, 233, 235–6
- Keynes, J.M. 165, 198, 220
 - 'bancor' system 208–9, 215
 - and below-capacity theorem 23–6
 - and competition 45, 49–50, 51
 - economics and models 11
 - expectations 175–6, 181–2, 184, 228
 - financial constraint 161
 - General Theory see General Theory, The*
 - international capital flows 203
 - liquidity preference 32, 102, 104
 - 'microeconomics' 26–33
 - organicism 106–7, 108–13
 - postwar reparations 215
 - price instability 47
 - problem of comparisons of complex magnitudes 168
 - rationality 7, 104
 - and uncertainty 18, 19–23
 - relative wages 71
 - speculation 171–2
 - 1910 lectures 172–84
 - supranational central bank 208–9
 - supranational institutions 130
 - theory of investment 3, 55–67
 - trade theory 5, 239–53
 - Treatise on Probability see Treatise on Probability, A*
 - weight of argument 168, 183, 184

- Keynesian economics
 economic microfoundations 2, 6–18
 ‘research programme’ 33–40
- Kierkegaard, S. 20
- King, J.E. 68, 80
- Knight, F.H. 11, 13
- knowledge 8–9
 speculation and 173–5, 176, 178,
 183–4
- Koopman, B.C. 167
- Kregel, J. 63, 242, 248
- Kreps, D.M. 97
- Krueger, A.B. 72
- Krugman, P. 229, 242, 251
- Kurz, M. 98
- Kyburg, H.E. 167
- labour costs 193–4, 195
- labour economics 3, 68–87
 macroeconomics 68–9, 80–5
 macroeconomic policy and
 unemployment 84–5
 money wages 82–3
 real variables 81–2
 microeconomic issues 68–9, 70–8
 company wage policy 72–3
 individual labour supply 75–7
 non-union firm 77–8
 trade union wage policy 71–2
 wage bargaining 74–5
 wage differentials and allocation of
 labour 78–80
- Laclau, E. 119, 121, 123
- Langmore, J. 234
- language 114–15, 118–19, 121–2
- Lavoie, M. 73, 77, 78, 79, 148, 149, 151
- Lawlor, M.S. 165
- Lawson, T. 80, 106, 107, 112, 113, 122
- Le Breton, M. 96, 99
- learning 3, 88–105
 Bayesian rationality and 96–7,
 100–1
 designing rationality 99–100, 100–1
 liquidity preference theory 102–5
 modalities of uncertainty 92–4
 procedural rationality 99–100, 100–1
 substantive rationality and 94–6,
 100–1, 104
 time and irreversibility 97–9, 100–1
- learning rules 95–6
- Lechte, J. 114
- Lee, H.B. 168
- Leibenstein, H. 13, 72
- less developed countries (LDCs) 210–11
- Levi, I. 168
- Lewis, F. 212
- liberalism 4, 128–47
 bounded rationality and identity
 133–5
 fusion of ends and means 137–8
 peasants and the periphery 135–7
 security and power 138–40
 uncertainty, asymmetric information
 and incomplete contracting 130–3
 voluntary exchange and violent
 conflict 128–30
- liquidity preference 32, 242
 monetary debate 150, 153–6, 159
 rationality and learning 102–5
- liquidity trap 102, 103–4
- loans-asset ratios 160–1
- London and Cambridge Economic
 Service* 30
- long-term expectations 61–5
- long-term money supply 152–3
- Lucas, R.E. 92, 94
- lurching, intransitive 15–16
- Maastricht Treaty 5, 186–200
 EMU and welfare consequences
 190–1
 financial convergence and
 unemployment 192–9
- Machina, M.J. 97
- macroeconomic theories 14–15
- macroeconomics 66–7
 labour economics 68–9, 80–5
- Maistre, J. de 133
- Manning, A. 72
- manufacturing 78
- Marcet, A. 95
- marginal cost curve 33
- marginal productivity 68, 69
- marginal revenue product function 72
- market structure 2–3, 45–54
 influence on degree of volatility 50–2
 Keynes and competition 49–50
 price flexibility and rigidity 47–9
 uncertainty, investment and savings
 52–4

- markets 173–4
 - demand limitation and market forms 65–6
 - emerging markets in Eastern bloc 141–2
 - financial *see* financial markets
 - foreign exchange *see* foreign exchange markets
 - Keynes and 26–33
 - manipulation of 178–9
 - spontaneous emergence of market systems 131–2
 - types of 29
- Marris, R. 45
- Marshall, A. 65, 172, 239, 247
- Marshall Plan 187, 212–14
 - compared with Treaty of Versailles 214–15
- Marx, K. 132, 141
 - trade theory 247–51
- Marxism 41
- maximin criterion 93
- McCann, C.R. 168
- McCloskey, D. 124
- McConnell, C.R. 85
- McDonald, I.M. 71
- means and ends, fusion of 137–8
- mec* function 56, 58–9
 - slope of 59–61
- Medoff, J.L. 77, 79
- Mendez, R.P. 224, 232
- mergers 34
- Messori, M. 156, 158
- metaphysics of presence 113–16
- Mexico 201–2
- microeconomic foundations 2, 6–18
 - classical optimization 9–10
 - impact of uncertainty on decisions 14–17
 - limits of ‘as if’ theorizing 10–14
 - paradigms in economics 6–7
 - radical uncertainty 17–18
 - rationality, uncertainty and expectations 7–9
- microeconomics 1–2
 - Keynes’s 26–33
 - labour economics 68–9, 70–8
- Milberg, W. 252
- Mill, J.S. 247
- Mini, P. 24, 165
- Minsky, H.P. 102, 104, 150, 161
- misalignments, serious 236–7
- Mitchell, D. 72
- mnemonic learning 90–1, 96
- models 10–14
- Modigliani, F. 102
- Moggridge, D.E. 33
- Moltke, H. von 137
- monetarism 190–1
- monetary circuit 148, 156–9
- monetary policy independence 226
- monetary/real dichotomy 227–8, 250
- money 4, 148–64, 248–9
 - accommodationism vs structuralism 149–56
 - monetary circuit 148, 156–9
 - as purchasing power and store of wealth 159–62
- money wages 71–2, 82–3
- monopolistic firms 53
- monopsony 72
- Moore, B. 135, 149, 150, 152–3, 154, 156, 158, 159–60
- Moore, G.E. 106, 108–9
- Moorean organicism 108–10, 116–17
- Mooreism 41–2
- moral hazard 13, 131
- Morgenstern, O. 10, 92, 97
- Mouffe, C. 119, 121, 123
- multiplier 63
 - sequential multiplier 60
- Mussa, M. 226
- Mussella, M. 151
- Myrdal, G. 188
- Mystic Writing Pad 115–16
- Najman, D. 232–3
- national economic policy 225–6
- national production function 40
- Nature 114
- Nazism 137
- necessary compromise 3, 55–67
- net value of the marginal product 39
- Neumann, J. von 92, 97
- New Classical economics 6
- New Keynesianism 6
 - imperfect competition 45–7
- Nietzsche, F. 20
- ‘noise trading’ 228–9, 230–2
- non-calculable risk 173

- nonergodic uncertainty 120
 non-union firm 77–8
 Norris, C. 122
 Nozick, R. 129
- objectivist decision theory 92–3, 98
 O'Donnell, R.M. 109–10
 OECD 211
 Ohlin, B. 25, 33, 45, 247
 ontological uncertainty 120
 open economy 243–5
 open welfare state societies 186–7
 optimization 8–9
 - classical optimization 9–10
 organicism 3–4, 65, 106–27
 - criticism and a radical alternative 116–18
 - Derridean perspective 107, 113–24
 - Keynes 106–7, 108–13
 - 'societal interactionism' 107, 111–13, 122–4
 origin 115–16
 Orléan, A. 166
 orthodox decision theory 92–3
 Ostroy, J. 102
 output 28
 - aggregate 81–2
 oversaving 217
 overvaluation 236–7
- Paliginis, E. 77
 panic 181–2
 Panico, C. 151
 paradigms in economics 6–7
 Pareto, V. 10
 Parguez, A. 156
 part-time employment 76
 Pasinetti, L.L. 65
 passions 19–20, 21
 Petrella, R. 189
 pattern bargaining 71
 peasants 135–7, 141
 perfect competition 46, 47, 51, 104
 perfect foresight 94
 perfect states 139
 periphery 135–7, 141
 peso 201–2, 208, 235
 Phelps Brown, E.H. 79
 Phillips curve 18, 83
 philosophy 41–2
- policy
 - Keynesian 42–3
 - macroeconomic policy and unemployment 84–5
 - national economic policy and Tobin tax 225–6
 political authority 141–2
 - see also* representative government
 political realism 138–40
 Pollin, R. 151
 Ponsard, C. 93
 portfolio fund managers 202, 204–7
 Portugal 188
 post-war period 42, 209–11
 power 138–40
 pragmatic rationality 89–90
 Pratten, C. 165
 praxis, duality of 112
 precautionary demand for liquidity 103
 predictions 13
 presence, metaphysics of 113–16
 Pressman, S. 245
 price fixing 37
 price-specie-flow mechanism 246–8
 prices 56
 - adjustment mechanism 246–8
 - competition and 49–50, 53
 - convergence of inflation 193–6
 - exchange rate volatility and speculation 227, 228–9
 - flexibility and rigidity 47–9
 - law of one price 79
 - liquidity preference 155–6
 - stability in Bretton Woods era 211
 - stabilization 177
 primary balance 192–3
 primitive accumulation 141–2, 146–7
 private sector 192
 probability 165
 - ambiguity and Bayesian theory 166–72
 - epistemic probabilities 10
 - speculation and logical probability 174–5, 183
 procedural rationality 89, 99–100, 100–1
 production 157, 158
 production decisions 157, 158
 production function 149
 productivity 68, 69, 210, 218–19

- profit 56
 protectionism 141, 251
 psychology 21, 32
 public sector budget deficit 190–1, 192–3
 purchasing power
 IMCU 218–19
 money as 159–62
 purchasing power parity (PPP) 226–7
 pure trade theory 250
- radical reform campaigns 138
 radical uncertainty 17–18
 asymmetric information and incomplete contracting 130–3
 Radice, H.K. 242, 245
 Rankin, N. 46
 rational choice 4, 128–47
 rational expectations 13, 94–6, 104, 228, 230
 rationality 4, 110, 165–85
 ambiguity and Bayesian theory 166–72
 Bayesian 88, 96–7, 100–1, 104
 bounded 133–5
 designing 89, 99–100, 100–1
 Keynes's 1910 lectures on
 speculation 172–84
 and learning 3, 88–105
 liquidity preference theory 102–5
 procedural 89, 99–100, 100–1
 substantive 88, 94–6, 100–1, 104
 and uncertainty 19–23
 expectations and 7–9
 radical uncertainty 17–18
 Rawls, J. 129
 real/monetary dichotomy 227–8, 250
 real variables 81–2
 real wage 69, 70, 71–2, 81–2
 realism 108–9
 Rebitzer, J.B. 75, 85
 Reich, M. 85
 relative wages 71
 Renaissance 209–10
 reparations 214–15
 representative government 129, 132, 143
 'research programme', Keynesian 33–40
 resources, use of 232–5
 return to gold 1925 28–9
 revenue, from Tobin tax 225, 232–5
 revenue tariff 243, 244–5
 revolutionary movements 138
 Reynolds, L.G. 79
 rhetoric of economics 124
 Riach, P. 68, 69, 70, 81–2
 Ricardo, D. 246–7, 248–9
 Richardson, G.B. 51
 rigidity, price 47–9
 risk 50
 liquidity preference 102–3
 principle of increasing risk 60
 speculation and gambling 173–5
 and uncertainty 92
 Robbins, L. 243
 Robinson, J. 33, 45, 55, 57, 69, 72, 85, 243–4
 below-capacity theorem 23–4, 25, 26, 32
 Rogoff, K. 226–7
 Rome, Treaty of 189
 Rose, A. 226
 Ross, A.M. 71
 Rotheim, R.J. 64–5, 71, 106, 110–11, 112–13, 120
 Rothschild, K.W. 68, 69–70, 73, 74, 78, 84
 Rousseau, J.-J. 114
 Ruccio, D. 107, 120–1
 Runde, J. 102, 165, 168
- Sahlin, N.E. 93, 168
 Samuelson, P.A. 17, 63
 Sardoní, C. 55, 60–1, 61–2, 63, 65, 67
 Sargent, T.J. 95
 satisficing 100
 Sau, R. 230, 233
 Saussure, F. de 114
 Savage, L.J. 92, 97
 Savin, N.E. 95
 savings 149, 157, 158
 uncertainty, investment and 52–4
 Sawyer, M. 68, 86
 Sayer, S. 229
 Say's Law 46, 239, 242, 243
 scarcity 248–9, 250–1
 Schmeidler, D. 93, 97, 99, 103
 Schopenhauer, A. 20
 Schumpeter, J.A. 105
 Seccareccia, M. 79

- Second World War 29–30, 42, 212
 security 138–40
 Segal, U. 97
 self-fulfilling expectations 182
 self-interest 8–9
 sequential multiplier 60
 serious misalignments 236–7
 Shackle, G.L.S. 14, 34, 72, 86, 102
 Shaikh, A. 247
 Shapiro, N. 53, 250
 Shiller, R.J. 166
 shock therapy 141–2
 short-term dealing 230
 short-term outcomes 61–5
 ‘shrinking middle’, law of the 80
 signifieds 114–15, 118
 Simon, H.A. 89, 99, 100
 Simonsen, M.H. 103
 Singapore 234
 Singh, A. 80
 Skidelsky, R. 33, 42
 small firms 63–4
 Smith, A. 129, 131, 136–7, 141, 189
 Smithin, J. 106, 111
 Smook, M. 240, 242
 social contract 187
 social interaction 21
 social problems 196
 societal interactionism 107
 Derridean perspective 122–4
 organicism, uncertainty and 111–13
 Sofianou, E. 124
 soft uncertainty 92–3, 101
 Solow, R.M. 71
 Spain 188, 196–7
 specialization 246–7, 251
 speculation 4, 27, 30, 165–85
 ambiguity and Bayesian theory
 166–72
 exchange rate volatility and 226–32
 Keynes’s 1910 lectures 172–84
 policies for fighting in foreign
 exchange markets 5, 201–22
 Tobin tax and prevention of 5, 203,
 206–8, 235–6
 speculative demand for liquidity 103
 Sraffa, P. 55, 60, 63
 stabilization, speculation and 30, 177
 Stalinism 141
 stationarity 98
 Steindl, J. 52, 73
 sterling 236–7
 Stettler, M. 124
 stock exchange panic 181–2
 store of wealth 159–62
 strategic learning 91–2
 structural adjustment 141–2
 structural balance 192–3
 structural learning 90–1, 92, 97,
 99–100, 101
 structuralism 138
 endogenous money supply 149, 150–6
 structure, duality of 112
 subject positions 121, 123
 subjective expected utility
 maximization 93
 substantive rationality 88, 94–6, 100–1,
 104
 superidealism 120–2
 supplementarity, logic of 113–16
 supply curves 25
 supply price of capital 56, 57–9, 60
 supranational central bank 208–9
 supranational institutions 130, 142–3
 sustainable development 197–8
 Sweden 188, 197
 Sweezy, P.M. 72
 Tamborini, R. 64, 156, 158
 tariffs 243, 244–5
 tax-based incomes policy 74–5, 78
 tax-raising powers 225, 232–5
 taxation
 financial sector 225, 237
 Tobin tax *see* Tobin tax
 Taylor, M.P. 203
 textile industry 28
 Thaler, R. 166
 time 97–9, 100–1
 Tinbergen, J. 22, 177
 Tobin, J. 6, 45, 102, 165, 201, 202, 203,
 207, 223, 225, 226, 234
 Tobin tax 5, 223–38
 implementation and collection 234–5
 possible adverse effects 235–7
 prevention of speculation 5, 203,
 206–8, 235–6
 rationales for 223–6
 tax-raising powers 225, 232–5
 volatility and speculation 226–32

- total order hypothesis 167
- totalization 117–18
- trade 5, 136, 239–53
 - balanced trade 251–2
 - comparative advantage as a special case 240–3
 - EU 187
 - open economy foundations for *The General Theory* 243–5
 - Ricardo, Marx, Marshall and Keynes 246–51
 - Tobin tax and 208, 235
- trade deficits 217–18, 219–20
- trade unions 78–9
 - wage policy 71–2
- training 80
- transaction costs 132–3, 139, 204, 208
- transcendental realism 113, 114
- Treasury bonds 36
- Treasury view 192
- Treatise on Probability, A* (Keynes) 7, 20, 110, 112
 - speculation 171–2, 177, 178, 179, 180
- Trevithick, J. 45
- trigger mechanism 217, 221
- Tversky, A. 166–7

- ‘uncertain and irrational’ Keynesian paradigm 7
- uncertainty 46, 169
 - asymmetric information and incomplete contracting 130–3
 - capital uncertainty and speculative flows 204–9
 - effect on decisions 14–17
 - financial markets 165–6
 - fundamental 106–7
 - investment and savings 52–4
 - Keynes and 18, 19–23, 34, 35–7, 41–2
 - and material character of discourse 118–22
 - modalities of 92–4, 100–1, 103–4
 - organicism and 106–7, 111–13
 - radical 17–18, 130–3
 - rationality and *see* rationality
- uncertainty of ambiguity 169
- ‘uncertainty and judgment’ Keynesian paradigm 7
- UNCTAD 223

- unemployment 37, 40, 69, 76
 - financial convergence and 192–9
 - macroeconomic policy and 84–5
 - market structure, uncertainty and 2–3, 45–54
 - Phillips curve 18, 83
 - trade theory and 241–2, 244–5, 249–50
- United Kingdom (UK) 80, 187, 197, 215, 234
- United Nations Development Programme 223, 225
- United States (US) 189, 215, 234
 - Marshall Plan 187, 212–14
 - wage structure 78–9, 79–80
- utility maximization criterion 93
- utopian rationality 100, 100–1

- value theory 22–3
- Van Dieren, W. 191, 198
- Varoufakis, Y. 75
- Veblen, T. 19, 24
- Vercelli, A. 55–6, 88, 91, 92, 93, 100, 102, 105
- Versailles, Treaty of 214–15
- vigilant observation 11–12
- Viner, J. 66
- violent conflict 4, 128–47
- Visser, H. 248, 249
- Visserling, Dr 27
- volatility
 - exchange rates 225, 226–32
 - prices 48–9, 50–2
- volume of intended investment 56
- volume of transactions 223–5, 233–4
- voluntary contract 4, 128–47

- wage share 81–2
- wages 196
 - adjustment 241–2
 - bargaining 74–5, 84–5
 - company wage policy 72–3
 - differentials 78–80
 - efficiency wage 77, 218–19
 - IMCU and relative wage parities 218–19
 - money wages 71–2, 82–3
 - norms 79–80
 - real wages 69, 70, 71–2, 81–2
 - trade union wage policy 71–2

- Wallich, H.C. 74–5
Walras, L. 33
Walrasian system 46–7, 47, 49–50, 55–6
Wang, T. 166, 169
wealth, store of 159–62
Weber, M. 136
weight of argument 168, 183, 184
Weintraub, S. 69, 74–5, 78–9, 79–80
Weitzman, M. 45
welfare 42
 distribution 196–7
 EMU and consequences in EU 190–1
 Maastricht Treaty and 5, 186–200
 tensions in EU 188–90
welfare economics 129
welfare state 133
 European integration and 186–8
Werlang, S.J. 103, 166, 169
Werlang, S.R.C. 103
Whitehead, A.N. 111, 118
Wilson, W. 215
Winslow, E.G. 106, 110, 165
Winslow, T. 106–7, 110–11
Wolf, B. 240, 242
Wood, A. 79, 80
Woodford, M. 95
worker sovereignty 75–7
World Bank 234
world government 142–3
Worswick, D. 45
Wray, L.R. 150, 151, 153–4, 155–6, 160–1
writing 115–16
Wyplosz, C. 201, 203, 207, 235–6
Yates, J.F. 169
Zadeh, L.A. 93