Preface and acknowledgements for the

Fourth Edition

The Third Edition of Financial Crises and Recession in the Global Economy was published in 2009, and it included case studies through the initial phase of the 2007–global financial crisis and ‘great recession’ of 2007–09 as it was called in the US. Written in 2016, this Fourth Edition explains the continuing effects of the 2007– crisis, including, especially, as it surfaced to become the ongoing European financial crisis. And, using its common-pattern analysis, the Fourth Edition discusses China’s ‘turning point’ and rising financial challenges in 2016 after decades of ‘boom’. Otherwise, the Fourth Edition retains the various case studies of financial crisis and recession from previous editions, organized in chronological order for the reader.

The goal of this edition, as per previous editions, is to provide a comprehensive history and explanation for the major financial instabilities and trends in the global economy since the 1970s. In this regard, some ‘new thinking’ from the literature and also from my ‘human ecology economics HEE’ framework gives some further context.

Coincidentally, and unexpectedly, as I mentioned in the Third Edition, I found myself watching up close when the 2007–crisis surfaced near my Silicon Valley and San Francisco Bay Area home—along with other regions of California and the US. That crisis began with the bursting of a housing bubble and a sharp rise in home foreclosures in the US during the fall of 2006, which spread to become a more broad-based global financial crisis within a year. Several of the counties in the San Francisco Bay Area ranked in the top ten nationally for home foreclosure activity, with, for example, a rate of foreclosure activity in the third quarter of 2007 equal to one for every 70 households.

And now, as the US has, by many macroeconomic measures, recovered from that crisis, while other regions of the globe continue to struggle, I am watching international financial inflows surge back into the San Francisco Bay Area—to such a degree that housing and other indicators are once again signaling boom, at least locally. Capital flight from China and elsewhere into the US dollar ‘core’ of the global financial system remains an obvious trend whether observed close up or afar.
Once again special thanks go to Philip Cerny for his encouragement and editing of the first edition of this book, which helped to locate this work within the various disciplines (an interdisciplinary process that continues). Private correspondence and a review of the first edition by G. Carchedi (1996) helped me understand the long-standing debates over economic value and wealth creation (also a process that continues), and Robert Laurent at the US Federal Reserve is to be thanked for his encouragement and helpful correspondence regarding the puzzles of money supply and demand. Various colleagues at Saint Mary’s College of California are to be thanked for their support over the years, especially Wilber Chaffee of the Politics Department, Asbjorn Moseidjord of the Economics Department, and Donald Snyder of the Business Administration Department.

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Most importantly, this book is dedicated to Julie Absey and Olivia Absey-Allen, who have been great supporters at my side in all the ways that really count. And, to Biscuit, a new member of our household, who was a companion near my feet for much of the writing.

Roy E. Allen
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