Index

‘Adam’s Fallacy’ 19
‘adaptationist fallacy’ 187
adaptive mechanism 102
affective behaviour 182–3, 187
affluent societies 295
*Affluent Society, The* (Galbraith) 215, 220
Air Quality Act 264
Akerlof, George 97
allocative efficiency 185
altruism 26, 29, 100, 106–7, 110, 187, 102–3
animal rights 36–7, 65, 171
‘Arab Spring’ 280–81
Aristotle 175–6
‘arrangement-focused’ justice 136
Arrow, Kenneth 100, 144, 156–63, 179
assets 205, 224
asylum seekers 280, 282–5, 288
‘asymmetric altruism’ 106–7, 187
auction theory 203
augmented national dividend 83
austerity 249, 256–8
Australia 241, 284–9
authoritarian capitalism 304, 312
authority/subversion foundation 103
axioms, ‘lotteries’ 32–5, 61, 63–4
bankruptcy 172–4, 246, 247
banks/banking system 245–6, 249–53, 255, 258–61
bargaining power 94
behavioural economics 97–8, 104–5, 182–3
behavioural psychologies 186–7
beliefs 61–2
Bentham, Jeremy 7, 23–37, 38, 39–40
‘better off’ concept 93
biases 78, 104, 112, 188–9, 213
‘big data’ 236
Black, Duncan 179
‘bliss point’ 96–7, 156
bonuses 250, 253–4
Borda systems 160, 161, 179
Border Force Act, Australia 289
Bowles, S. 106, 118–20
BP (British Petroleum) 269–71
Bretton Woods Agreement 256
‘Brexit’ 167, 284, 288, 295–6
Britain
democracy 167, 295–6
dignity and 234
financial crisis 246, 250, 256–7
income inequality 219, 220
industrialization 47–8
privatization programme 207
refugee sanctuary 288
right wing movements 283–4
British Petroleum (BP) 269–71
Buchanan, A. 129
Cambridge capital controversies 152
Cambridge University 69
‘capability deprivation’ 146, 147–8
capability theory 145–6, 153
capacities, preference satisfaction 63
capital 219, 220, 222
capitalism
authoritarian forms 304
‘building blocks of’ 168–75
class divisions 184, 307
classlessness 217
corporations 188, 216
critics of 274–5
democracy decoupling 303
dynamic account of 72
enforcement mechanism 173–4
exclusion 306
financialization of 225, 249, 259
futures of 312–13
globalization 224
implications of 83–4

327
income levels 309
inequality increase 120
political economy 308
poverty and 215–16
values 110
cardinal utility measure 35, 112
care/harm foundation 102
Carson, Rachel 263, 277
Cartledge, Paul 175–6
causality analysis 22
CDOs (collateralized debt obligations) 247
CDS (credit default swaps) 247
centralizing tendency, voting 164
centre-right parties 165
change, scale/size of 78
character formation 40–41
cheating behaviours 98, 103
China 279
choices
consequentialism 183
under constraint 87
fairness and 131
freedom of 62, 146
preference satisfaction 62–3
situational 61
social 135, 137, 157, 159–60, 163
voters 165
see also rational choice theory
‘citizens’ bequest’ 309
citizenship
democracy 176, 235, 290, 291
exclusions from 180
outcomes of 65
privatization effects 210
virtuous citizens 130
civil society movements 312
civil war 66, 281–2
civility process 41–2, 44
class divisions
capitalism 307
democracy 176
dignity and 234
privatization 200, 209
radical politics 313
revolutionary action 183–4
class inequality 48, 304
class order 305–6
class prejudices 81
class standards 44
classical liberalism 291–2
classical utilitarianism
attraction of 24–5
characteristics 30
comparisons of utility 35
criticism of 38
end of 29, 32
marginal utility 53
modification 28
classlessness 217
climate change 266, 271–5, 276, 279
Clinton, Hillary 294, 311
co-evolution 106
Coal Question, The (Jevons) 265
coalition governments 165, 166
‘Coase Theorem’ 84, 90
collateralized debt obligations (CDOs) 247
collective choice 34, 183
collective rationality 159, 161–2
commercial banks 258–9
commercial society 22
commune movement 265
communitarianism 30–31, 209
community 137–8, 254
companionship foundation 309
compensation 109–10, 271
competition 118, 139, 170, 188
compound interest 115
‘comprehensive consequentialism’ 153, 190–93, 211, 225, 304, 310
conceptualization, defining 187
‘Condorcet cycle’ 157, 158, 160–61
confined, housing 236
confirmation bias 104
consciousness 28, 71
consequentialism 5
economic welfare 59, 68
framework-building 181–96
the good 15
preference satisfaction 64
process-infused 144–5
welfare economics 55, 59, 68
see also ‘comprehensive consequentialism’
conservative privatization programme 199, 213
‘conservatorship’ regime 246
‘constitution’ axioms 156
constraint 87, 147
constructivist justice 138, 144
consumer sovereignty 112
consumers 50–51, 52–3, 78
consumption and debt 253
contract prisons 210–11
contract theory 134–6, 137
contracts 170–71, 232
‘contribution’ productivity 129
conversion opportunities 148–9
cooporative groupings 106–7
corporations 169, 188, 216, 298
corruption 100, 208, 223
cost–benefit analysis 110–15, 124
cost calculation, resources 92
cost effectiveness, QALY measure 237
cost savings, privatization 209
costs, sunk 244
‘countervailing power’ 189, 200, 216, 295, 312
credit default swaps (CDS) 247
credit ratings 253
crowding out non-market norms 100–101
culmination, consequentialism 144, 190
culture 210, 288
Daly, Herman 265–6
Dawkins, Richard 123
de-growth movement 268–70, 273–5
debt 232–3, 247, 249–50, 253–4, 257
‘deep ecology’ 274
Deepwater Horizon disaster 269–71
deflation 248
democracy
capitalism decoupling 303
citizenship 235
degeneration of 43
emergence 44
environmental crisis and 277
hollowing of 290–300
institutional framework 167–75, 293
liberty and 148
majoritarian principle 155–8, 164–5, 177–8
observations 306
paradoxical 193
possibility of 9, 151–2, 155–80
processes 310
‘social choice’ approach 135
utility maximization 26
see also liberal democracy
Democratic Party, US 294, 311–12
deontological ethics 151, 153, 178, 181–2, 190–91, 287
deontological psychology 186
‘dependence effect’ 277
deregulation 249–50
‘deserving’ social justice 140
despair 239–40
detention centres, refugees 285, 288
Dewey, John 192–3
dictatorships 155, 166
‘difference principle’ 131, 140, 143–4
digital technologies 171–2
dignity 41, 176–8, 234
diminishing marginal utility law 40, 80
direct passions 16
disabilities 147–8, 154
discount rates 124, 273
disempowerment and voting 298
disposable income 219
disruptive innovations 222
distribution
changes in 77
of goods 60
laws of 47
national dividend 79
of resources 63, 94–5
see also utility distribution
distributional consequences, efficiency 113–14
distributional judgment 110
distributional justice 139
dog-whistle politics 285, 286
Durkheim, Emile 183
duty 65–6, 89, 150–51, 191
Dworkin, Ronald 133–4, 141–5, 152, 176–8, 180
dynamic efficiency 116–21, 124
‘earnings handicap’ 148
ecological economics 266
ecological footprint 268
economic analysis 308
economic efficiency 92, 109
economic growth 3, 121, 226, 248, 265–7, 278
see also growth theory
economic inequality 10, 216, 226, 229–30, 296
economic policy 126–54, 304
  see also policy
economic welfare see welfare
economics
economically efficient allocation 205
economics
  definition of scope 61
development 24
  environmental 263–4
  mathematical models 86
modern welfare 5
non-economic relations 75
positive/normative 4–5, 34, 70
science relationship 70, 75, 81, 85–6
utilitarianism 3–4
  see also neoclassical economics; orthodox economics
Economics of Welfare, The (Pigou) 70
Edgeworth, Francis 26, 28–9
Edgeworth–Bowley Box diagram 91
education 227–8, 230, 237, 257, 311
effective freedom 193
effective preferences 62
efficiency 71, 86, 92–125, 163–7, 185, 238
efficient financial markets theology 206
efficient market hypothesis (EMH) 204–5, 214
egalitarianism 80
egoistic hedonism 26
Egypt 281
Ehrlich, Paul 264
electoral systems 166, 307
elitism 238, 293, 298
EMH see efficient market hypothesis
employment 211–12, 231–2, 260–61, 308, 311
  see also labour
enforcement mechanism, capitalism 173–4
‘engineering approach’ to economics 184, 303–4
environmental crisis 263–77
environmental degradation 280
environmental policy 147
environmental values/justice 10–11
‘equal marginal sacrifice’ principle 54
equality
causal relationships 152
ex post 142–3
increasing 118, 120
maximizing social justice 127
of opportunity 128, 291
of rights 45–6
utilitarianism 27
‘ethical externality’ 101
ethics 5–6, 20, 38–9, 304, 307–8
Etzioni, A. 185–7, 189, 191, 195
EU see European Union
eugenics 238
European Union (EU) 167, 283–4, 286, 288, 296
Eurozone financial crisis 248–9, 262
evolution 101–2, 107, 123
exclusionary practices 238–9, 306
expected utility theory 35, 36
explicit value judgment 95
exploitation 105
externalities 83–4, 101, 129
fairness 98, 123, 127, 131, 133
fairness/cheating foundation 103
finance bosses 218–19
finance inequality 233
finance theory 174
financial assets 205
financial crisis 244–62
  see also global financial crisis
financial innovation 250
financial loss 204
financial markets 205, 206
financialization of capitalism 225, 249, 259
fines 255–6, 261, 271
first fundamental welfare theorem 94
first past the post voting 161, 162
‘fiscal crisis of the state’ 204
Fisher, Irving 37, 49
‘flexibility’, employment 260–61
flows, stock of resources 82
forced migration 287
‘formal entitlement’, voting 300
formal theories, well-being 61
‘framing’ process 113, 114
Frank, Thomas 305
fraternity 127, 143–4
free markets 82, 168, 172, 189, 203
free speech 46
freedom
of choice 62, 146
democracy and 291
financial crisis 260
as outcome of welfare 60
responsibility and 193
see also liberty; value freedom
freedom-based capability theory 145
Friedman, Milton 194
frontier see utility possibility frontier
functionings 145–6, 147, 149
‘fundamental laws of capitalism’ 222

Galbraith, James 174–5, 195, 213, 215
Galbraith, J.K. see John Kenneth Galbraith
game theory 162
gated communities 230–31
GDP see gross domestic product
general laws of ethics 38–9
‘genuine altruism’ 187
Genuine Progress Indicator (GPI) 267–8
Georgescu-Roegen, Nicholas 265–6
Germany 289, 300
GFC see global financial crisis
gift-giving/receiving 99
Glass-Steagall Act 258
global financial crisis (GFC) 205–6,
235, 296
see also financial crisis
‘global justice’ 136
globalization 3, 223, 224
GNP see gross national product
the good 14–15, 29–32, 61, 191–3, 239
good behaviour 19
good life 70
goods distribution 60
Gossen’s first law 50
Gossen’s second law 51, 53
Gouldner, A. 105–6
government actions/interventions
economic welfare 85–6
‘engineering approach’ 184
justice theory 139
labour markets 73
market creation 63
market separation 167–8
social justice 148–9
government role 43, 200
government authority 36

GPI (Genuine Progress Indicator) 267–8
gratification 27
Gray, John 290–91
Great Depression 222
greed as good 239
Green parties 165
‘Green Revolution’ 279
Greenspan doctrine 247, 250–51
Gresham’s law 100
gross domestic product (GDP) 249,
256
gross national product (GNP) 126, 153
group cooperation 106–7
growth-oriented inequality 215
growth rates, wealth 223
growth theory 120–21
guarantee, income levels 309

Haidt, Jonathan 102–7, 123, 150–51
happiness 25, 31, 39, 40–41, 46
see also pleasure
Hausman, D. 111–12
health 228–30, 237, 242
‘hedonimeter’ 28–9
hedonism 26, 39
hierarchies of exclusion 238
higher faculties 39–41
higher pleasures 40, 47, 71
Hirschman, Albert 20, 98
Hobhouse, Leonard 300
Hotelling, Harold 163–4
household debt 253–4
household welfare 59
housing inequality 230–31, 236
housing prices 247, 250, 257
housing stock privatization 201–2
human capital theory 221
human-induced climate change 266,
274, 279
Hume, David 6, 14–22, 23–4, 101, 103

identity politics 305
impartial spectator 20
impartiality, justice theory 17–18
impossibility theorem, democracy
156–63, 179
incentive structures 118–19, 252–3,
255, 261
Morality and power

income inequality 218–21, 222, 227, 241, 242
income levels 147, 309
income redistribution 80, 236, 309
income relativity 80
income utility curve 54
income redistribution 80, 236, 309
Index of Sustainable Economic
Welfare (ISEW) 267
indifference curves 88
indirect passions 16
individual justice 126–9
individual satisfactions 81
individual welfare 59–60
individualism 59, 137, 200, 259–60
inductive approach, ethics 38
industrialization 47–8
inequality 10, 215–43
classes 48, 304
dignity and 177
growth-oriented defence 215
increasing 119–20, 149, 257, 296
policy framework 309
reducing 193
social justice and 127–9
systematic 140
inflation 266
information economics 97
informational deficits 146
informationally efficient markets 205
inception tax 241
injustice 135, 178, 212
innateness 102–3
insider information, finance 255
instant-runoff vote (IRV) 160–61
institutional framework, democracy
167–75, 293
institutions 40–41, 47, 127, 132, 135, 186
instrumental rights 192
‘insular poverty’ 216
insurance-based redistribution 153
intangibles 113
intellectual property 169, 170, 172, 292
interest rate effects 115, 247
interests
concept of 20
equal rights 45–6
passions relationship 21
satisfaction of 46–7
see also self-interest; vested interests
international monetary system 199,
transactional interstructural change theory
221
‘interventionist power’ 189
intransient actors 182
intrinsic value, welfare 60, 65
investment funds 246
‘irrationality’ 36
IRV (instant-runoff vote) 160–61
ISEW (Index of Sustainable Economic
Welfare) 267
Islamic State of Iraq and the Levant
(ISIL) 282
Jevons effect 269
Jevons, William Stanley 50–51, 265
jihadist groups 282
JKG see John Kenneth Galbraith
job losses 208–9, 257, 308
John Kenneth Galbraith (JKG) 215–17, 220
judicious spectator 17–18, 20
just desert theory 129
just institutions 47
just society 15, 46, 130–31, 133, 135,
146
justice approaches to 138, 144
basis of 15
democracy and 178
environmental 10–11
original conception of 132
right to 42, 46, 134
rules of 22
theories of 17–18, 130–34, 139, 151
see also social justice
Kant, Immanuel 68
Kay, J. 258
Keynes, John Maynard 69, 73, 124,
251–2, 256, 259, 261–2, 300
Kuznets curve 217, 241
Kuznets, Simon 217, 221
labour 72, 222–3
labour markets 72–3, 220–21
labour supply issue 51
land 230, 268–9
laws
  of capitalism 222, 224
  of diminishing marginal utility 40, 80
  of distribution 47
  ethics 38–9
  of production 47
left party politics 165
legislation 23, 235, 264
Lehman Brothers bank 245–6
‘leisure’ time 52
‘level playing field’ idea 140
liabilities, insider information 255
liberal capitalism 217
liberal democracy 11, 148, 155, 176, 178, 193, 290–91, 293
liberal individualism 59, 137, 259–60
Liberal Party 179–80
liberalism 131, 132–3, 290–92, 300
liberty
  democracy and 148
  of individual tastes 46
  maximization 127
  principle of 44–5
  restrictions 141
  right to 134
  trade-offs 15
  undermining 153
  see also freedom
liberty/oppression foundation 103
Libya 281
life expectancy 242
limited liability companies 119
Limits to Growth, The (Meadows) 264
literacy skills 228
living standards 278
living well 308
local government housing stock 231
‘losers’ 98, 109–11
‘lotteries’ 35
lower faculties 39–40, 41
lower-income families 227–8
lower pleasures 47
loyalty/betrayal foundation 103
loyalty imperatives 150
Lucas, Robert 251
McPherson, M. 111–12
macroeconomy 207, 232, 266
macro-reality 183
mafia capitalism 214
majoritarian democracy 155–8, 164–5, 177–8
Malthus, Thomas 278–80
Manual of Political Economy (Pareto) 86–7
margin, retreat to 50–56
marginal increase
  happiness 31
  outputs 82–3
marginal net product 83
marginal productivity 129
‘marginal revolution’ 7, 52
marginal social net product 83, 90
marginal utility 40, 50–51, 53, 55–6, 80
market equilibrium outcome 164
market failures 21, 82, 97, 138–9, 184, 203
market imperfections 108
market incentives, housing 236
market-led economic growth 3
market-mediated preferences 63
market processes/mechanisms 81, 144, 244, 250–51, 264
market systems, workings 254–5
marketization of efficiency 99
markets
  ‘as if’ path 185
  crowding out 100–101
  efficient market hypothesis 204–5
  emergence of 292
  environmental crisis and 275–6
  government separation 167–8
  operation of 18–19
  orthodox economics 4, 9
  value of money 111
  voluntary preferences 62
  welfare and 60, 65
wholesale 246
Marshall, Alfred 52–3, 69, 85
‘Marshallian fudge’ 52, 56, 78, 80, 100
Marx, Karl 183–4, 194
Marxism and inequality 242
mass displacement of people 287
mass poverty 280
material welfare outcomes 60
mathematical models, economics 86
maxima/minima 92
maximization
  the good 32, 192
happiness 25, 39, 46
liberty 127
profit 164
total utility 24, 25–6, 45
utility 27, 28, 34, 42–4, 47
votes 164
Meadows, Donella and Dennis 264
’measuring rod of money’ 70, 74–5, 77, 112
‘median voter theorem’ 179
Menger, Carl 50–52
mental health problems 229
methodological limitations, economics 185–7
middle classes 129, 200, 305
Middle East 280, 282, 288
migration 280, 282–4, 286–8, 289
Mill, James 26
Mill, John Stuart 6, 7, 38–49
democracy 291, 300
economic/non-economic relations 75
utilitarianism 28
welfare economics 85–6
Miller, D. 127
minima/maxima 92
‘minimax’ strategy 131
minority groups 225, 293–4, 311
Minsky, Hyman 251
‘mob rule’ 176
modern utility theory 32–6
modern welfare economics 5
monetary costs, environmental crisis 271
monetary policy 250–51
monetary reductionism 272
monetary system, privatization 199
money 53, 55–6, 70, 74–7, 111–12
moneyed interests 298
monopolies 108, 170, 292
moral commitment as pleasure 185–6
moral convictions influence 191
‘moral foundations’ 102–3
moral judgments 17, 101
moral matrices 104
Moral Sentiments (Smith) 18
moral sociology 141
mortgage defaults 247
motivations 18–19, 25
Mubarak, Hosni 281
multidimensional morals 105
multi-party systems 166
multi-stage runoff elections 161
nation state concept 178
national dividend/income 75–80, 83, 90
nationalism 181, 299, 306
natural prejudice 239
natural resources crisis 268–9
naturalistic basis of morality 103
Nauru island 285–6
‘negative power’ 188
Neo-Malthusianism 278
neo-neo platform, privatization 200–201
neoclassical economics 67, 129, 138, 140, 184–7, 251, 303–4
neoclassical psychology 186
neoliberalism 119, 202, 233, 292, 299, 303–5
net return, wealth 224
‘new growth theory’ 120–21
non-economic dimensions 71, 73, 75
normative economics 4–5, 34, 70, 182–5, 187
normative values 121
North Africa 280, 282, 288
Nozick, Robert 152
numeracy skills 228
‘obligations of solidarity’ 138
‘Occupy movement’ 110, 212, 219, 235, 293
OECD see Organisation for Economic Cooperation and Development
offshore detention centres 285, 288
oligarchy 175–6, 178, 292
ontological limitations, economics 185–7
ophelimity 88
opportunities
‘conversion’ 148–9
equality of 128, 291
inequality of 193, 226–7
living well 308
opening up 20
opportunity cost 92
oppositional politics 310–11
optimal theory, taxation 54, 56, 66–8
optimality conditions 96–7
<table>
<thead>
<tr>
<th>Term</th>
<th>Page Numbers</th>
</tr>
</thead>
<tbody>
<tr>
<td>ordinal utility function</td>
<td>33–5, 52–3, 124</td>
</tr>
<tr>
<td>Organisation for Economic Cooperation and Development (OECD)</td>
<td>203–4, 206–7</td>
</tr>
<tr>
<td>original passions</td>
<td>16</td>
</tr>
<tr>
<td>orthodox economics</td>
<td></td>
</tr>
<tr>
<td>consequentialism</td>
<td>5, 194–5</td>
</tr>
<tr>
<td>development</td>
<td>303</td>
</tr>
<tr>
<td>financial crisis</td>
<td>252</td>
</tr>
<tr>
<td>inequality</td>
<td>221</td>
</tr>
<tr>
<td>markets</td>
<td>4, 9</td>
</tr>
<tr>
<td>privatization</td>
<td>203, 211–12</td>
</tr>
<tr>
<td>value/power question</td>
<td>184–5</td>
</tr>
<tr>
<td>outsourcing</td>
<td>209, 253</td>
</tr>
<tr>
<td>pain</td>
<td>16, 23–5, 27–8, 51, 73</td>
</tr>
<tr>
<td>‘Paretian fudge’</td>
<td>111–12</td>
</tr>
<tr>
<td>Pareto improvement</td>
<td>8–9, 93, 108–9, 117</td>
</tr>
<tr>
<td>Pareto optimum</td>
<td>92–3, 95, 108</td>
</tr>
<tr>
<td>Pareto principle</td>
<td>93–5, 97–8, 109, 122, 163</td>
</tr>
<tr>
<td>Pareto, Vilfredo</td>
<td>86–9, 90–97, 108–21</td>
</tr>
<tr>
<td>Paris Agreement</td>
<td>273–5, 277</td>
</tr>
<tr>
<td>‘partial comparability’</td>
<td>159–60, 298</td>
</tr>
<tr>
<td>partnership democracy</td>
<td>177–8</td>
</tr>
<tr>
<td>party politics</td>
<td>165, 296, 305–6</td>
</tr>
<tr>
<td>passions</td>
<td>16, 21</td>
</tr>
<tr>
<td>patents</td>
<td>169, 170</td>
</tr>
<tr>
<td>‘paternalism’</td>
<td>143–4</td>
</tr>
<tr>
<td>patriarchal society</td>
<td>146</td>
</tr>
<tr>
<td>pay inequality</td>
<td>232</td>
</tr>
<tr>
<td>people-smuggling trade</td>
<td>285, 288</td>
</tr>
<tr>
<td>‘performativity’</td>
<td>214</td>
</tr>
<tr>
<td>permanent interests</td>
<td>45–7</td>
</tr>
<tr>
<td>permit systems, environmental</td>
<td>276</td>
</tr>
<tr>
<td>Pettit, P.</td>
<td>15</td>
</tr>
<tr>
<td>physics and economics</td>
<td>70</td>
</tr>
<tr>
<td>Pigou, Arthur Cecil</td>
<td>8, 69–86, 111–16</td>
</tr>
<tr>
<td>‘Pigouvian fudge’</td>
<td>74, 90</td>
</tr>
<tr>
<td>Piketty, T.</td>
<td>217, 218–21, 222–5, 241</td>
</tr>
<tr>
<td>pleasure</td>
<td>16, 23–5, 27–8, 39–41, 71, 185–7</td>
</tr>
<tr>
<td>see also happiness</td>
<td></td>
</tr>
<tr>
<td>pluralistic theory</td>
<td>104, 167, 189</td>
</tr>
<tr>
<td>Polanyi, Karl</td>
<td>168</td>
</tr>
<tr>
<td>polarized politics</td>
<td>166</td>
</tr>
<tr>
<td>‘policy drift’</td>
<td>188</td>
</tr>
<tr>
<td>policy factors</td>
<td></td>
</tr>
<tr>
<td>efficiency</td>
<td>115–16</td>
</tr>
<tr>
<td>environmental crisis</td>
<td>275–6</td>
</tr>
<tr>
<td>equal opportunities</td>
<td>128</td>
</tr>
<tr>
<td>imperatives</td>
<td>138–51, 310</td>
</tr>
<tr>
<td>inequality</td>
<td>235</td>
</tr>
<tr>
<td>population crisis</td>
<td>279, 287–8</td>
</tr>
<tr>
<td>see also economic policy; public policy</td>
<td></td>
</tr>
<tr>
<td>policy framework</td>
<td>309–10</td>
</tr>
<tr>
<td>policy path-dependence</td>
<td>3</td>
</tr>
<tr>
<td>policy reform</td>
<td>298–9</td>
</tr>
<tr>
<td>policy risk, environmental</td>
<td>276</td>
</tr>
<tr>
<td>political economy</td>
<td>48, 86–7, 308</td>
</tr>
<tr>
<td>political outcomes</td>
<td></td>
</tr>
<tr>
<td>consequentialism</td>
<td>181</td>
</tr>
<tr>
<td>environmental crisis</td>
<td>277</td>
</tr>
<tr>
<td>resistance/renewal</td>
<td>306–7</td>
</tr>
<tr>
<td>political polarization</td>
<td>166</td>
</tr>
<tr>
<td>political power</td>
<td>188–9</td>
</tr>
<tr>
<td>political system workings</td>
<td>292–3</td>
</tr>
<tr>
<td>Population Bomb, The (Ehrlich)</td>
<td>264</td>
</tr>
<tr>
<td>population crisis</td>
<td>278–89</td>
</tr>
<tr>
<td>population mobility</td>
<td>11</td>
</tr>
<tr>
<td>populism</td>
<td>123–4, 306–7</td>
</tr>
<tr>
<td>populist movements</td>
<td>293, 299, 306</td>
</tr>
<tr>
<td>positive economics</td>
<td>4–5, 34, 70, 184–5</td>
</tr>
<tr>
<td>power/value analysis</td>
<td>184–5</td>
</tr>
<tr>
<td>pragmatist ethics</td>
<td>192–3, 212</td>
</tr>
<tr>
<td>pre-redistribution, income</td>
<td>309</td>
</tr>
<tr>
<td>precautionary principle</td>
<td>272, 273, 277</td>
</tr>
<tr>
<td>predatory states</td>
<td>175</td>
</tr>
<tr>
<td>preference combinations, SWF</td>
<td>156–7</td>
</tr>
<tr>
<td>preference expression, voting</td>
<td>161</td>
</tr>
<tr>
<td>preference formation, democracy</td>
<td>298</td>
</tr>
<tr>
<td>preference harvesting</td>
<td>162</td>
</tr>
<tr>
<td>preference intensity</td>
<td>52–3, 158–9</td>
</tr>
<tr>
<td>preference satisfaction</td>
<td>32–3, 61–4, 67</td>
</tr>
<tr>
<td>prejudice</td>
<td>239</td>
</tr>
<tr>
<td>presidential elections, US</td>
<td>294–5, 311–12</td>
</tr>
<tr>
<td>price data</td>
<td>78</td>
</tr>
<tr>
<td>price determination measurement</td>
<td>52</td>
</tr>
<tr>
<td>price ratio, marginal utility</td>
<td>50–51</td>
</tr>
<tr>
<td>prices</td>
<td></td>
</tr>
<tr>
<td>housing</td>
<td>230, 247, 250</td>
</tr>
<tr>
<td>taxes/subsidies</td>
<td>84–5</td>
</tr>
<tr>
<td>primary goods definition</td>
<td>131</td>
</tr>
<tr>
<td>prisoner’s dilemma</td>
<td>100, 162</td>
</tr>
<tr>
<td>prisons, US</td>
<td>210–11</td>
</tr>
</tbody>
</table>
private property 168–9
private sphere, interventions 64
privatization 10, 199–214
‘process’ definition 190
process-infused consequentialism 144–5
product prices 76–7
production, laws of 47
productivity 117, 119–20, 129, 214
profit maximizing equilibrium 164
profitability 208, 214
profits, banks 253
progressive politics 307, 311
progressive redistribution 54, 80
progressive taxation regime 310
property rights 169, 173
proportional representation 162
psychology 101, 186–7
public debt to GDP ratios 249
public finance 233
public health 230
public housing stock 201–2, 231
public policy 3, 6, 299–300
see also policy
public protests 293
public sphere
interventions 64
privatization 206
publicly available information 205
purchasing power 77
Putnam, Hilary 192–3
quality-adjusted life years (QALYs) 237
quantification 75, 76, 113
‘quantitative easing’ 248
radical politics 313
ranking, rational choice 33
ratings agencies 253
rational choice theory 6–7, 21, 32–4, 63–4, 186–7, 252
rational decision making politics 295
rational economic actors 210, 303
rational enquiry 26
‘rational’ interests 29
rationality 4, 36, 64, 67, 104
Rawls, John 21
democracy 176, 178, 180
right to justice 42
social justice 136, 140–41, 143, 152
Theory of Justice 130–34
utilitarianism 46–7
real world economics 97–107, 121, 134–6
reason 16, 45, 104
‘reasonable degree’ inequality 226
‘reasonableness’, preferences 156
‘rebound effect’ 269
reciprocal altruism 106, 107
reciprocity 99, 101, 105–6, 110
redistribution
arguments against 310
conservatives and 213
of income 80, 236, 309
Pareto improvement 118
of resources 92–3, 95, 120, 122, 153
of wealth 53–4, 236, 242
of welfare 79
redistributive tax 222
reductionist theory 21, 187, 272
redundancy programmes 214
‘reflective equilibrium’ 152
reformist movements 297
refugee crisis 280, 282, 284–9
regressive taxation 67
regulatory rules, privatization 202
Reich, R. 168–73, 221
relational social position 147
relative bargaining power 94
renewal politics 306–7
representative democracy 155, 158, 162–3, 175–7, 290–91, 298, 303
resistance politics 306–7
resources
allocation of 51, 109
cost calculation 92
distribution of 63, 94–5
economically efficient allocation 205
exhausting 24
happiness 31
redistribution of 92–3, 95, 120, 122, 153
stock of 82
respect 127, 137, 143
responsibility 182, 193
restrictive consequentialism 15
returns on wealth 224
revisionist view, banks 251–2
revolutionary action 183–4
the right, utilitarianism 31
right wing movements 165, 181, 283–4, 305–6
rights
  consequentialism 191
duties and 66
equality of 45–6
instrumental 192
property 169, 173
to justice/liberty 134
utility maximization 42
rights-based principles 141, 152
risks, environmental 276
Romer, Paul 120–21
rule of law 235
Russia 214, 282
sanctions 41–2
sanctity/degradation foundation 103
Sandel, Michael 99–101, 137–8, 149–50, 171
satisfactions 81, 185–6
  see also preference satisfaction
scandals 255, 261, 297
scarcity 100, 265
Schumacher, E.F. 265
Schumpeter, Joseph 71–2, 124
science–economics relation 70, 75, 81, 85–6
Scitovsky, T. 109–10
Scottish independence 167
‘second best’ theory 97, 108
second fundamental theorem of welfare economics 94–5
second law of capitalism 224
self-government 292
self-interest 4–5, 17, 18–19, 100, 130
’selfish gene’ model 123
Sen, Amartya 11
  compensation criterion 110
  consequentialism 190–91, 193–4
democracy 159–60, 180
opportunities 20
resource redistribution 122
social justice 134–6, 141–2, 144–50, 153–4
’separability’ theorem 95
September 11th attacks 245
services and money 75
share markets 205–6
Sidgwick, Henry 26, 28
Silent Spring (Carson) 263
’silo effect’ 253, 261
single transferable vote (STV) 160–61
situational choices 61
slums 230
Smith, Adam 14, 18–22, 74
social bonds 225–6
social choice approach 135, 137, 157, 159–60, 163, 298
social constructionism 102, 153
social contract theory 134–5, 137, 144
social cost–benefit analysis 124
social democratic movements 291–2, 310, 312
social inclusion 226
social inequality 237–8
’social inheritance’ 147
social justice 9, 126–54
social liberalism 300
social market approach 300
social national dividend 83
social order 28
social polarization 166
social position, relational 147
social realizations evaluation 191–2
social solidarity 226
social stability maintenance 26
social structures, power in 189
social welfare function (SWF) 96–7, 156–7, 159
socialism 181
sociology 141
SOEs see state-owned enterprises
soft power 195
solidarity 138, 226
sovereign debt crisis 249
sovereign nation states 136
spatial duopoly 163–4
spectator see impartial spectator;
  judicious spectator
stagflation 199, 266
stagnation 225, 245
state fiscal crisis 204
state-owned enterprises (SOEs) 203–4, 207
statics theory 87, 116, 117, 124
Stern Review 273
Stiglitz, Joseph 97, 259, 296–9
stock of resources 82
<table>
<thead>
<tr>
<th>Term</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>strategic voting</td>
<td>161–2</td>
</tr>
<tr>
<td>structural change</td>
<td>221</td>
</tr>
<tr>
<td>STV (single transferable vote)</td>
<td>160–61</td>
</tr>
<tr>
<td>subsidies</td>
<td>84–5</td>
</tr>
<tr>
<td>summing values, utility</td>
<td>24</td>
</tr>
<tr>
<td>sunk costs</td>
<td>244</td>
</tr>
<tr>
<td>‘supermanagers’</td>
<td>218–19, 221</td>
</tr>
<tr>
<td>supply factors</td>
<td>51</td>
</tr>
<tr>
<td>sustainability</td>
<td>265</td>
</tr>
<tr>
<td>sustainable development</td>
<td>267–8</td>
</tr>
<tr>
<td>SWF see social welfare function</td>
<td></td>
</tr>
<tr>
<td>sympathy</td>
<td>16–18</td>
</tr>
<tr>
<td>Syrian civil war</td>
<td>281–2</td>
</tr>
<tr>
<td>systematic assessment, privatization</td>
<td>206</td>
</tr>
<tr>
<td>systematic inequality</td>
<td>140</td>
</tr>
<tr>
<td>systemic problems, environmental</td>
<td>263</td>
</tr>
<tr>
<td>TARP (Troubled Assets Relief Program)</td>
<td>248</td>
</tr>
<tr>
<td>taste changes</td>
<td>77</td>
</tr>
<tr>
<td>taxation</td>
<td></td>
</tr>
<tr>
<td>avoidance</td>
<td>242</td>
</tr>
<tr>
<td>environmental crisis</td>
<td>276</td>
</tr>
<tr>
<td>externalities and</td>
<td>84</td>
</tr>
<tr>
<td>globalization and</td>
<td>223</td>
</tr>
<tr>
<td>inheritance</td>
<td>241</td>
</tr>
<tr>
<td>optimal theory</td>
<td>54, 56, 66–7, 68</td>
</tr>
<tr>
<td>policy framework</td>
<td>309</td>
</tr>
<tr>
<td>prices and</td>
<td>84–5</td>
</tr>
<tr>
<td>progressive regime</td>
<td>310</td>
</tr>
<tr>
<td>public finance</td>
<td>233</td>
</tr>
<tr>
<td>redistributive</td>
<td>222</td>
</tr>
<tr>
<td>technological progress</td>
<td>117, 204</td>
</tr>
<tr>
<td>Thatcher government</td>
<td>201, 210</td>
</tr>
<tr>
<td><em>Theory of Justice</em> (Rawls)</td>
<td>130–34</td>
</tr>
<tr>
<td>time-poverty</td>
<td>268</td>
</tr>
<tr>
<td>time preferences</td>
<td>37, 111</td>
</tr>
<tr>
<td>Titmuss, Richard</td>
<td>99–100</td>
</tr>
<tr>
<td>total utility</td>
<td>24–6, 42, 45</td>
</tr>
<tr>
<td>trade-offs</td>
<td>15, 31</td>
</tr>
<tr>
<td>trade unions</td>
<td>311–12</td>
</tr>
<tr>
<td>traded permits</td>
<td>276</td>
</tr>
<tr>
<td>tragedy of the commons</td>
<td>116</td>
</tr>
<tr>
<td>transaction costs</td>
<td>84</td>
</tr>
<tr>
<td>transcendent approach, justice</td>
<td>138</td>
</tr>
<tr>
<td>transition costs</td>
<td>95</td>
</tr>
<tr>
<td>‘triple bottom line’</td>
<td>267</td>
</tr>
<tr>
<td>Troubled Assets Relief Program</td>
<td></td>
</tr>
<tr>
<td>(TARP)</td>
<td></td>
</tr>
<tr>
<td>Trump, Donald</td>
<td>167, 277, 288, 293–6, 305, 311</td>
</tr>
<tr>
<td>trust</td>
<td>297</td>
</tr>
<tr>
<td>truth–value unity</td>
<td>133</td>
</tr>
<tr>
<td>‘tunnel effect’</td>
<td>98</td>
</tr>
<tr>
<td>two-party system</td>
<td>166</td>
</tr>
<tr>
<td>tyranny of the majority</td>
<td>164–5</td>
</tr>
<tr>
<td>UK (United Kingdom) see Britain</td>
<td></td>
</tr>
<tr>
<td>uncertainty</td>
<td>114–15</td>
</tr>
<tr>
<td>underemployment</td>
<td>308</td>
</tr>
<tr>
<td>unemployment</td>
<td>257</td>
</tr>
<tr>
<td>unequal power</td>
<td>105</td>
</tr>
<tr>
<td>unequal wealth</td>
<td>140–41</td>
</tr>
<tr>
<td>United Kingdom (UK) see Britain</td>
<td></td>
</tr>
<tr>
<td>United States (US)</td>
<td></td>
</tr>
<tr>
<td>civil war</td>
<td>66</td>
</tr>
<tr>
<td>class inequality</td>
<td>304</td>
</tr>
<tr>
<td>contract prisons</td>
<td>210–11</td>
</tr>
<tr>
<td>democracy</td>
<td>293</td>
</tr>
<tr>
<td>financial crisis</td>
<td>244–8, 250, 256–7</td>
</tr>
<tr>
<td>income inequality</td>
<td>218, 220</td>
</tr>
<tr>
<td>presidential elections</td>
<td>294–5, 311–12</td>
</tr>
<tr>
<td>privatization</td>
<td>202</td>
</tr>
<tr>
<td>social inclusion</td>
<td>226</td>
</tr>
<tr>
<td>Syria conflict</td>
<td>282</td>
</tr>
<tr>
<td>violence in</td>
<td>307</td>
</tr>
<tr>
<td>unity principle</td>
<td>42</td>
</tr>
<tr>
<td>universalistic hedonism</td>
<td>26</td>
</tr>
<tr>
<td>unverified probability principle</td>
<td>76</td>
</tr>
<tr>
<td>upper middle classes</td>
<td>200, 305–6</td>
</tr>
<tr>
<td>US see United States</td>
<td></td>
</tr>
<tr>
<td>utilitarianism/utility theory</td>
<td>3–4</td>
</tr>
<tr>
<td>characterization</td>
<td>43</td>
</tr>
<tr>
<td>classical</td>
<td>24–5, 28–30, 32, 35, 38, 53</td>
</tr>
<tr>
<td>communitarianism and</td>
<td>31</td>
</tr>
<tr>
<td>conceptualization</td>
<td>187</td>
</tr>
<tr>
<td>diminishing marginal utility</td>
<td>40</td>
</tr>
<tr>
<td>economic welfare</td>
<td>60, 126</td>
</tr>
<tr>
<td>end of</td>
<td>29, 32</td>
</tr>
<tr>
<td>equality</td>
<td>27</td>
</tr>
<tr>
<td>impartiality</td>
<td>18</td>
</tr>
<tr>
<td>interests satisfaction</td>
<td>46–7</td>
</tr>
<tr>
<td>justice and</td>
<td>42</td>
</tr>
<tr>
<td>marginal utility</td>
<td>50–51, 53–4</td>
</tr>
<tr>
<td>maximized total utility</td>
<td>24, 25–6</td>
</tr>
<tr>
<td>maximized utility</td>
<td>27, 28, 34, 42–4, 47</td>
</tr>
<tr>
<td>measurement of utility</td>
<td>52</td>
</tr>
<tr>
<td>modern theory</td>
<td>32–6</td>
</tr>
<tr>
<td>Index</td>
<td></td>
</tr>
<tr>
<td>---------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td>neutrality 26</td>
<td></td>
</tr>
<tr>
<td>ophelimity and 88</td>
<td></td>
</tr>
<tr>
<td>passions and 16</td>
<td></td>
</tr>
<tr>
<td>priorities 14</td>
<td></td>
</tr>
<tr>
<td>rise of 6</td>
<td></td>
</tr>
<tr>
<td>time preferences 37</td>
<td></td>
</tr>
<tr>
<td>unmediated 190</td>
<td></td>
</tr>
<tr>
<td>welfare elements 71, 73</td>
<td></td>
</tr>
<tr>
<td>utility companies 209</td>
<td></td>
</tr>
<tr>
<td>utility distribution 31, 42</td>
<td></td>
</tr>
<tr>
<td>utility function 33–4, 52–3, 98, 124</td>
<td></td>
</tr>
<tr>
<td>utility possibility frontier 93–5, 97, 108, 116–17, 119, 156</td>
<td></td>
</tr>
<tr>
<td>utility principle 23–4, 26, 39, 41–2, 44</td>
<td></td>
</tr>
<tr>
<td>value freedom 74, 89, 110</td>
<td></td>
</tr>
<tr>
<td>value judgments 95–6</td>
<td></td>
</tr>
<tr>
<td>value of money 111</td>
<td></td>
</tr>
<tr>
<td>value/power analysis 184–5</td>
<td></td>
</tr>
<tr>
<td>values</td>
<td></td>
</tr>
<tr>
<td>behaviour and 105, 310</td>
<td></td>
</tr>
<tr>
<td>collapse of 254</td>
<td></td>
</tr>
<tr>
<td>communitarianism 209</td>
<td></td>
</tr>
<tr>
<td>de-growth movement 274</td>
<td></td>
</tr>
<tr>
<td>democracy 166</td>
<td></td>
</tr>
<tr>
<td>environmental 10–11</td>
<td></td>
</tr>
<tr>
<td>living well 308</td>
<td></td>
</tr>
<tr>
<td>normative 121</td>
<td></td>
</tr>
<tr>
<td>summing 24</td>
<td></td>
</tr>
<tr>
<td>unity with truth 133</td>
<td></td>
</tr>
<tr>
<td>welfare 60, 65</td>
<td></td>
</tr>
<tr>
<td>vested interests, capitalism 171</td>
<td></td>
</tr>
<tr>
<td>violence 307</td>
<td></td>
</tr>
<tr>
<td>virtue ethics 5, 65–6</td>
<td></td>
</tr>
<tr>
<td>virtuous citizens 130</td>
<td></td>
</tr>
<tr>
<td>voluntary obligations 137</td>
<td></td>
</tr>
<tr>
<td>voluntary preferences 62, 64</td>
<td></td>
</tr>
<tr>
<td>von Braun, Wernher 114</td>
<td></td>
</tr>
<tr>
<td>von Neumann, John 90</td>
<td></td>
</tr>
<tr>
<td>‘vote splitting’ 162</td>
<td></td>
</tr>
<tr>
<td>voting</td>
<td></td>
</tr>
<tr>
<td>character formation 41</td>
<td></td>
</tr>
<tr>
<td>choice 165</td>
<td></td>
</tr>
<tr>
<td>consumer sovereignty 112</td>
<td></td>
</tr>
<tr>
<td>democracy and 155, 157–8, 179, 296–8, 299</td>
<td></td>
</tr>
<tr>
<td>‘formal entitlement’ to 300</td>
<td></td>
</tr>
<tr>
<td>maximization 164</td>
<td></td>
</tr>
<tr>
<td>multidimensional morals 105</td>
<td></td>
</tr>
<tr>
<td>strategic 161–2</td>
<td></td>
</tr>
<tr>
<td>STV system 160–61</td>
<td></td>
</tr>
<tr>
<td>systems of 155, 158, 160–61</td>
<td></td>
</tr>
<tr>
<td>two-party system 166</td>
<td></td>
</tr>
<tr>
<td>Wallace, George 214</td>
<td></td>
</tr>
<tr>
<td>Walras, Léon 50–52</td>
<td></td>
</tr>
<tr>
<td>wars 66, 222, 281–2</td>
<td></td>
</tr>
<tr>
<td>water resources 268–9</td>
<td></td>
</tr>
<tr>
<td>wealth inequality 220, 222–3, 224</td>
<td></td>
</tr>
<tr>
<td>Wealth of Nations, the (Smith) 18, 20</td>
<td></td>
</tr>
<tr>
<td>wealth redistribution 236, 242</td>
<td></td>
</tr>
<tr>
<td>Weber, Max 181–3</td>
<td></td>
</tr>
<tr>
<td>welfare 8, 60, 65, 71, 73, 92–125</td>
<td></td>
</tr>
<tr>
<td>welfare economics 8, 59–68</td>
<td></td>
</tr>
<tr>
<td>change definition 78</td>
<td></td>
</tr>
<tr>
<td>concept of 59–68</td>
<td></td>
</tr>
<tr>
<td>efficiency 71</td>
<td></td>
</tr>
<tr>
<td>externalities 83</td>
<td></td>
</tr>
<tr>
<td>fundamental theorem of 88, 97</td>
<td></td>
</tr>
<tr>
<td>government interventions 85–6</td>
<td></td>
</tr>
<tr>
<td>labour 72–3</td>
<td></td>
</tr>
<tr>
<td>market processes 81</td>
<td></td>
</tr>
<tr>
<td>modern 5</td>
<td></td>
</tr>
<tr>
<td>national dividend 75, 79–80</td>
<td></td>
</tr>
<tr>
<td>political economy 86–7</td>
<td></td>
</tr>
<tr>
<td>privatization effects 207</td>
<td></td>
</tr>
<tr>
<td>reduction of 74</td>
<td></td>
</tr>
<tr>
<td>rise of 55</td>
<td></td>
</tr>
<tr>
<td>second fundamental theorem of 94–5</td>
<td></td>
</tr>
<tr>
<td>unverified probability principle 76</td>
<td></td>
</tr>
<tr>
<td>utility theory 32, 126</td>
<td></td>
</tr>
<tr>
<td>welfare function, judgments 95–6</td>
<td></td>
</tr>
<tr>
<td>welfare optimality 88</td>
<td></td>
</tr>
<tr>
<td>welfare state 291</td>
<td></td>
</tr>
<tr>
<td>well-being theory 61</td>
<td></td>
</tr>
<tr>
<td>wholesale market 246</td>
<td></td>
</tr>
<tr>
<td>winner’s curse 203</td>
<td></td>
</tr>
<tr>
<td>Wolf, Martin 244, 259</td>
<td></td>
</tr>
<tr>
<td>workable overlapping consensus 166, 293</td>
<td></td>
</tr>
<tr>
<td>xenophobia 283–4, 293</td>
<td></td>
</tr>
<tr>
<td>young peoples’ debt 257</td>
<td></td>
</tr>
<tr>
<td>zero-sum game 209</td>
<td></td>
</tr>
</tbody>
</table>