<table>
<thead>
<tr>
<th>Index</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Abel, A. 370</td>
<td></td>
</tr>
<tr>
<td>accounting identities 21</td>
<td></td>
</tr>
<tr>
<td>AD-AS (aggregate demand–aggregate supply) model 295</td>
<td></td>
</tr>
<tr>
<td>Adaptive Economic Models 70</td>
<td></td>
</tr>
<tr>
<td>Aftalion, A. 83</td>
<td></td>
</tr>
<tr>
<td>Age of Decline 398, 399, 402</td>
<td></td>
</tr>
<tr>
<td>aggregate demand 370, 396, 402</td>
<td></td>
</tr>
<tr>
<td>and income distribution 380</td>
<td></td>
</tr>
<tr>
<td>instability 15</td>
<td></td>
</tr>
<tr>
<td>insufficient 378–9</td>
<td></td>
</tr>
<tr>
<td>and unemployment 390</td>
<td></td>
</tr>
<tr>
<td>aggregate demand curve 355–6</td>
<td></td>
</tr>
<tr>
<td>alternative derivation 358–9, 362</td>
<td></td>
</tr>
<tr>
<td>downward slope 360–6</td>
<td></td>
</tr>
<tr>
<td>and endogenous money 356–9</td>
<td></td>
</tr>
<tr>
<td>and exogenous money 356–9</td>
<td></td>
</tr>
<tr>
<td>shifts in 363, 364</td>
<td></td>
</tr>
<tr>
<td>slope, and monetary policy in the UK 361–3</td>
<td></td>
</tr>
<tr>
<td>through the IS-LM model 357, 363</td>
<td></td>
</tr>
<tr>
<td>aggregate demand model 177</td>
<td></td>
</tr>
<tr>
<td>Ahmad, S. 90</td>
<td></td>
</tr>
<tr>
<td>Akerlof, G.A. 337</td>
<td></td>
</tr>
<tr>
<td>Albin, P.S. 76</td>
<td></td>
</tr>
<tr>
<td>Alesina, A. 394</td>
<td></td>
</tr>
<tr>
<td>algorithms 69, 76</td>
<td></td>
</tr>
<tr>
<td>American Institutionalism 374</td>
<td></td>
</tr>
<tr>
<td>Andersen, T. 350</td>
<td></td>
</tr>
<tr>
<td>Anderson, R.G. 195</td>
<td></td>
</tr>
<tr>
<td>Andresen, T. 40, 51</td>
<td></td>
</tr>
<tr>
<td>‘animal spirits’ 226</td>
<td></td>
</tr>
<tr>
<td>Arrow, K.J. 242, 243</td>
<td></td>
</tr>
<tr>
<td>Arrow–Debreu general equilibrium model 242, 243</td>
<td></td>
</tr>
<tr>
<td>Arthur, W.B. 80, 85</td>
<td></td>
</tr>
<tr>
<td>Aschauer, D. 374</td>
<td></td>
</tr>
<tr>
<td>Ashworth, A. 312</td>
<td></td>
</tr>
<tr>
<td>Asian crisis 330</td>
<td></td>
</tr>
<tr>
<td>Association for Evolutionary Economics 85</td>
<td></td>
</tr>
<tr>
<td>Association for Payments Clearing System (APACS) 194, 195</td>
<td></td>
</tr>
<tr>
<td>asymmetric expectations 183</td>
<td></td>
</tr>
<tr>
<td>Auerbach 370</td>
<td></td>
</tr>
<tr>
<td>Baddeley, M. 115, 247</td>
<td></td>
</tr>
<tr>
<td>Bagehot, W. 151, 152, 154</td>
<td></td>
</tr>
<tr>
<td>Bain, K. 199, 365</td>
<td></td>
</tr>
<tr>
<td>Baisch, H. 338, 339, 341, 348</td>
<td></td>
</tr>
<tr>
<td>balance sheet constraints 254–6</td>
<td></td>
</tr>
<tr>
<td>Bank Act of 1844 154</td>
<td></td>
</tr>
<tr>
<td>Bank of Canada 372</td>
<td></td>
</tr>
<tr>
<td>bank credit 71, 175</td>
<td></td>
</tr>
<tr>
<td>bank deposits 29</td>
<td></td>
</tr>
<tr>
<td>and credit money 3</td>
<td></td>
</tr>
<tr>
<td>as financial assets 27</td>
<td></td>
</tr>
<tr>
<td>Bank of England 154, 188, 361, 362</td>
<td></td>
</tr>
<tr>
<td>Bank of Japan 153, 306</td>
<td></td>
</tr>
<tr>
<td>bank lending, and output 177</td>
<td></td>
</tr>
<tr>
<td>bank liabilities 24</td>
<td></td>
</tr>
<tr>
<td>bank loans 177–8</td>
<td></td>
</tr>
<tr>
<td>demand for 194–5</td>
<td></td>
</tr>
<tr>
<td>Banking 154</td>
<td></td>
</tr>
<tr>
<td>banking, Post Keynesian versus neoclassical views 252–4</td>
<td></td>
</tr>
<tr>
<td>banking liquidity ratio 256–9, 260–61</td>
<td></td>
</tr>
<tr>
<td>and increase in compulsory reserve ratio 259–62</td>
<td></td>
</tr>
<tr>
<td>target 257, 259</td>
<td></td>
</tr>
<tr>
<td>banking sector, balance sheet constraints 254–6</td>
<td></td>
</tr>
<tr>
<td>banking system</td>
<td></td>
</tr>
<tr>
<td>two tier 151</td>
<td></td>
</tr>
<tr>
<td>and uncertainty 176–8</td>
<td></td>
</tr>
<tr>
<td>banknote circulation, and structural liquidity deficit 159–60</td>
<td></td>
</tr>
<tr>
<td>banks</td>
<td></td>
</tr>
<tr>
<td>balance sheets 261–4</td>
<td></td>
</tr>
<tr>
<td>brokerage role 24</td>
<td></td>
</tr>
<tr>
<td>defensive position 255</td>
<td></td>
</tr>
</tbody>
</table>
banks’ assets and liabilities
and the endogeneity of money 21–2
role of money, and bank
intermediation 23–7
banks of issue 158
Barro, R.J. 224
barter 36, 37, 141, 154
defense role 175
Bordo, M.D. 39
base-multiplier models 189
‘basins of attraction’ 88
Bell, S.A. 203, 277
Berk, J.M. 242
Berlin School of Monetary
Keynesianism 154
Bernanke, B.S. 177, 229, 232, 350, 370
Bervi, V.V. 206
Bibow, J. 257, 348
Bindseil, U. 306
Blanchard, O. 154, 390, 393
Blatt, J.M. 83
Blench, D. 167
Blinder, A.S. 224, 232, 353, 370, 371
Bodenhorn, H. 1
Bofinger, P. 153
Bogdanov, A.A. 88
bond sales 278
Borio, C.E.V. 188
borrowing, cost of 294, 299
Bortis, H. 89
Brainard, W. 307
Brock, W.A. 80
Buiter, W. 307
Burckhardt, J. 63
Bush, J. 312
business cycles 370, 371
‘butterfly effect’ 75, 77–8
Calhoun, J.C. 214–15
Cambridge Journal of Economics 252
Campillo, M. 224
Cannan 204
Cannon, W. 70
Capital 88, 205, 207
capital, marginal efficiency 292, 295,
297, 301
capital accumulation, and saving 303
capital adequacy ratio (CAR) 262, 264,
265
capital model 104–11
capital reversal 81
capitalism 36, 37, 284, 371, 393, 403
Carabelli, A. 78
Carrier, D. 74
Cartesian policy control 347–8
catastrophe theory 76, 79, 83, 85
central bank independence (CBI) 224
central banks 7, 10–11, 71, 151–9,
188
capital reversions role 175
balance sheet 152–3
balance sheet structures 156
capital accumulation, and saving 303
cost of borrowing 294
defensive role 175–6
demand for bank reserves 174,
175, 188, 256, 273
discount rates 227–8, 233, 273
final payment difficulties 154
good securities 151, 152, 155
ingflation targeting 299
interest rates 227, 230, 237–41
intermediate term rate of interest 294
real interest rate rule 354, 358
real short run interest rate 358
lack of accommodation 173, 174
money supply and the Eurosystem
159–63
‘new consensus’ 372, 373
open discount window 154–5
reaction functions 306–9
role of 173
and the state 158
supportive responsibilities 174–5
target rates 286
Chang, W.W. 83
chaos theory 76
chaotic dynamics 64, 75, 77, 79–80,
83–4
in models 85–6
and money 80
chaotic hysteresis 85, 86
Chartalism 9, 203, 210–11
Chiarella, C. 52, 68, 80, 84

Mark Setterfield - 9781847203113
Downloaded from Elgar Online at 03/10/2019 08:58:47PM
via free access
Chick, V. 24, 190–91, 258, 276, 287, 377, 378
Childe, V.G. 65
Circuitist Model
bankers expenditure and accumulation 49
banks in 47–8
capitalist account linked to debt repayment 48
capitalist financial position 50
exponential decay of money stock 46
as a flowchart 45–51
workers money stock adjusted for interest paid 46
Circuitist school 3, 4, 25, 36–41
Clarida, R. 222, 223
clearing systems 237, 238
Coddington, A. 89, 90
Cohen, A.J. 90
Cohen, K.J. 68
Colander, D. 76
commercial banks 8, 151, 177, 339, 341, 348, 350, 358
and financial fragility 126–8
passivity 173
commodity money 21, 22, 36–7, 205
*The Common Sense of Political Economy* 208
complex dynamics 83, 86, 88, 89
defining 75–6
and Keynesian uncertainty 77
and Post Keynesian economics 74–98
complex macroeconomic dynamics 84
complex systems 44
definitions of 75–6
economies as 376
complexity
definition 63
and investment 99–101
complexity analysis
private policy implications 115
public policy implications 114
complexity theory 1–2, 4, 5
compulsory reserve ratio 259–62
*The Condition of the Working Class in Russia* 206
consensus model 10
constant interest rate assumption 314–23, 331
contracts 146–7
*A Contribution to the Critique of Political Economy* 208
‘convenience lending’ 24
Cooley, T. 272
corn models 104–11, 118
Cornwall, J. 85, 380, 404
Cornwall, W. 85, 404
Cottrell, A. 172, 191
countercyclical fiscal policy 370
Cournot 65, 67
Courvisanos, J. 100, 101, 102, 103, 111, 113
Coveney, P. 100, 101
cowrie currency 212–14
credit, demand for 190
credit cards 196–9
credit channels 231–2
credit constraints 177
credit creation 155
credit economy model 14, 337, 338–47
basic model 340
collateral requirements in 339
extended model 342
and expansionary monetary policy 345
and restrictive monetary policy 344
and inflation 346
investment portfolio 339–40, 343
monetary policy in 343–7
transformation portfolio in 339–40
uncertainty in 341
credit money 22, 24, 25, 26, 37, 172, 173, 181
and bank deposits 3
endogeneity 304
supply and demand 190
credit money economy 291, 292
credit money systems, essential features 304
credit multiplier 343, 349
credit rationing 177, 182, 257
and monetary policy 231–3
credit risk 179
credit supply 119
‘Moorian’ schedule 131–4, 136
and uncertainty 180–84
credit supply curve 128–34
credit supply theory 176, 177
credits and debits, equality of 27
creditworthiness criteria 2, 181, 182–3
Cripps, F. 258
Cross, R.B. 85
Crotty, J. 182
Currency School 141, 142
cusp catastrophe framework 82
Cuthbertson, K. 189
cybernetics 76
cyclical state of growth 110, 112
Cyert, R. 68

Dalziel, P. 369, 373
Dana, R.A. 84
Darwin, C. 64
David, P. 85
Davidson, P. 43, 74, 77, 85, 89, 135, 146, 187, 244, 337, 338, 350, 374, 375, 381, 382
Davis, J.B. 78
Dawson, G. 354
Day, R.H. 68–9, 70, 75, 77, 79, 82, 86
Day–Kennedy 70
de Carvalho, F.J.C. 28
De Grauwe, P. 337
debt, repayment by private sector 9
debt contracts 146
debt service, and income flows 285
Deleplace, G. 202
delli Gatti, D. 80
DeLong, B.J. 290, 293, 300, 370, 371, 372
demand
for bank loans 194–5
for credit 190
cycles and growth 380
for money 189–90, 192, 195
demand deficiency, Keynes’s concept of 30–33
demand price, and supply price 285
‘demand-led growth’ 376, 381
deposit rates 258
deposits 29, 193
creation by loans 189–91
distinguished from money 28
excess 196
Desai, M. 272
deterministic models 44
deterministic static analysis 43
Dillard, D. 377
discount rates, central banks 227–8, 233, 273
disequilibrium 192, 371, 374
disequilibrium dynamics, financial
stocks and flows 72
disequilibrium existence problem 70–72
disequilibrium theories 67
distributional struggles 377
The Divergent Dynamics of Economic Growth 69
Dixit, A. 99
Dos Santos, C. 257, 264
double-entry bookkeeping 3, 24, 26, 29, 34, 165–6
Dow, A.C. 172, 187
Dow, S.C. 88, 172, 183, 253, 258, 377
Dowd, K. 248
Dunn, S. 338
Dymski, G.A. 253, 349
dynamic models 44–5
e-money 237, 240, 247
Econometrica 83, 216
economic life, stages of development 65
economies, as complex systems 376
economy, views of IPK economists
and New Keynesians 378
effective demand principle 32, 291
Eichner, A.S. 174, 175, 176, 257, 259
Eisner, R. 383
electronic transactions 237–8, 241–2
Ellison, M. 311
Elwin, V. 214
‘emerging properties’ of economies 376
employment 144, 294, 296, 303
and interest rates 292
and IPK 378, 379
Keynes theory of 30
Encyclopedia Britannica 211
endogeneity, of reserves 174
‘endogenous fundamental uncertainty’ 44
endogenous growth theory 373
endogenous lending rate markup 264–6
endogenous money 8, 23, 75, 171, 276, 353
and aggregate demand curve 356–9
and the income process 146–7
macroeconomics of 6–12
versus exogenous money 141–9
endogenous money analysis, role of monetary policy 230–33
endogenous money hypothesis 353–4, 358, 377–8
endogenous money supply
institutional factors 378
nature of 130
process 358–9
entrepreneurial system 148
entrepreneurs 338, 341, 346
Epstein, G. 350
equilibrium 5, 42–3, 55, 81, 82, 87
existence and properties 66
multiple equilibria 88
‘equilibrium’ rate of interest 228, 229
equilibrium unemployment rate 391, 403
ergodic system/ergodicity 43, 44, 88, 243, 244, 248
European Monetary Union (EMU) 159, 337
Eurosystem
‘autonomous factors’ determining liquidity 160
balance sheet 154
central bank money supply 159
council 159
liquidity deficit 163
longer-term refinancing operations (LTROs) 159, 161–2
main refinancing operations (MROs) 159, 160, 161
marginal lending facilities (MLFs) 159, 162, 163
marginal rate of interest 160
monetary policy operations 150
multiple auction 160
overnight rate (EONIA) 162
rationing of money supply 161
variable rate tender 160, 161
Evans, G. 378

Evolution of Civilizations 65
evolution theory 64
evolutionary change 101
An Evolutionary Theory of Economic Change 69
Ewing, J.A. 84
exchange rate regimes 227, 288, 381
and exogenous interest rates 276–80
exogeneity
definition 271
interest rates 203
of term 272
exogenous interest rates 12–14, 271–89
definition of 12
and the exchange rate regime 276–80
exogenous money 291
and aggregate demand curve 356–9
and the portfolio change process 147
versus endogenous money 141–9
exogenous money supply 7, 374
expansion 283–4, 285, 286, 287
expansionary policies 393–4
expectations 244
expected return, on investments 356
factor costs 30, 31
Federal Open Market Committee (FOMC) 306
Federal Reserve, and horizontalism 144–5
Feiwel, G.R. 82
Felderer, B. 338
Feldstein 370
finance
Keynes on 28
provided by the market 29
real versus inflation bills 148–9
‘finance motive’ 27, 28, 30, 32, 146
financial accelerator 179
financial fragility, and commercial banks 126–8
financial instability 375
financial instability hypothesis 12
Minsky 44, 282–7
financial market regulation 381
Financial Says Law 282, 283, 284, 285, 286, 292
financial sector, and ICT 10–11
financial stocks and flows, disequilibrium dynamics 72
Index

fiscal policy 337, 370, 371, 378
Fischer, E.O. 90
Fitzgibbons, A. 348
Flaschel, P. 52, 68, 80
Fleming–Mundell model 337
Flerovsky, N. 206
flexible inflation targeting 299
fluctuations
  endogenous nature 75
  macroeconomic 83
Foley, D.K. 76, 80, 282
Folkerts–Landau, D. 153, 158
Föllmer, H. 76
Fontana, G. 51, 247, 354, 358, 365, 369
forecasts
  GDP 315, 316
  inflation 314, 321
  systemic errors 323–31
Forrester, J.W. 76
Forstater, M. 114, 203, 205, 211
Fountain of Fortune 216
fractal basin boundaries 78, 84, 85
Friedman, C. 248
Freeman, C. 115
free market 144
French Regulation School 85
Friedman, B. 238, 239
Friedman, M. 22, 212
Fuhrer, J.C. 225
Fuller, D. 383
fundamental uncertainty 5

Gabisch, G. 90
Garber, P.M. 153, 158
Garegnani, P. 89, 90
GDP 195, 226, 293, 370, 398
  autocorrelation in errors in forecasting growth 326–7, 330
  bank forecasts 315, 316
  differential between GDP and forecast 322
GDP forecasts, and interest rate changes 318
Geide-Stevenson, D. 383
general equilibrium theory 66, 68, 192
General Theory 25, 26, 32, 77, 178, 281, 284, 347, 374, 375
German Historical School 65, 203
Gertler, M. 232
Gintis, H. 350
Glickman, M. 245, 348
globalization 348
Gnos, C. 32
Godley, W. 252, 257, 259
Goldberg, D. 216
Golden Age (1960–73) 393, 395, 397, 398–9
Goodfield, J. 72
Goodwin, R.M. 4, 45, 83, 84, 86, 89, 103
  growth cycle model 51–5, 84
Gordon, R.J. 224, 382, 404
government deficits, and interest rates 303
government investment 296
  gradualism 13–14, 307, 309
  arguments for gradualist behavior 309–14
  in short-term official interest rates 311
and systemic forecast errors 323–31
Graziani, A. 4, 36–7, 39, 41, 42–3, 365
Greenaway, D. 248
Greenspan, A. 372
Greenwald, B. 242
Greenwell Gilt Weekly 313
gross domestic product see GDP
group dynamics 78
Groves, 70
growth cycle model
  Goodwin 51–5
  simulating growth cycle in Mathcad 52, 53
  in Vissim 53, 54, 55
growth and development, long-run
  Keynesian model 396–8
Grundrisse 205, 207
Hahn, F.H. 242, 248
Halevi, J. 90
Hall, S. 231, 232
Hamouda, O.F. 5, 74, 382
Handa, J. 365
Hansen, A. 103
Harcourt, G.C. 5, 74, 81, 89, 90, 107, 348, 382
Harris, D.J. 81
imperfect competition 390
income distribution 375–6, 380, 381
and aggregate demand 380
income finance process, and
endogenous money 146–7
income flows, and debt service 285
incomes policy 380
independent (stability) money supply
function concept 145
inequality 375–6, 380
inflation 195, 227, 347
autocorrelation in errors in
forecasting 328–9, 330
causes of 230, 303
as a demand phenomenon 231
flexible inflation targeting 290
forecasts 314, 321
and interest rate policy 223
and monetary policy 372
money as an exogenous cause 141–2
and the ‘new consensus’ model 231
quantity theory of 187, 191
and unemployment 399, 400–401
‘inflation bills’ 149
inflation targeting 224, 230, 299–300
central banks 299, 350
flexible 299
and interest rates 299
inflexible wages and prices 371
information
and ICT innovations 241–6
imperfect 242
information and communication
technology see ICT
Ingham, G. 248
Innes, M.A. 203
instability
aggregate demand 15
of the economy, and Post Keynesian
economics 375
Institutionalist-Post Keynesian
Economics (IPKE) 15, 368, 378, 379
monetary theory of production
376–7
and social control 380
Instrumental analysis 114
interest elasticity 6–7
interest rate changes 13
auto-correlation 314–15
and GDP forecasts 318
time-varying shocks and reversals 312
interest rate policy, and inflation 223
interest rate risk 179
interest rate rules 293
interest rates 142–3, 144, 145, 179, 180, 183, 221, 226, 303
central banks 227, 230, 237–41, 294, 354, 358
constant interest rate assumption 314–23
domestic and foreign 229
effect on saving and investment 229
exogeneity of 172, 203
exogenous 271–89, 292
and government deficits 303
gradualism in short-term official 311
and inflation targeting 299
levels 378
in Real Analysis 292–3
real interest rate rule 305
time paths of 307, 309, 310

International Economics 153

intertemporal analysis 396
investment
and complexity 99–101
identity of 30
impact on capital stock 296
and saving 3, 25, 230, 379
spillover effects 373
susceptibility 100
under uncertainty 99, 100
investment cycle theory 101
investment multiplier, Keynes’s theory 30–33
investment susceptibility 5–6, 101
cycle model 102
simulation model with 111–13
simulation model without 104–11
reduced form 118
supporting evidence 103–4
investments, expected return on 356
IS-LM model 290, 293, 300, 306, 347, 370, 374
aggregate demand curve 357, 360, 363
MP (monetary policy) schedule 353
Isaac, A.G. 350
Isenberg, D. 381
Jammernegg, W. 90
Japan 153, 350
Jaroslav, M. 52, 84
Jevons, W.S. 208
John Maynard Keynes 284
Journal of Economic Issues 368
Journal of Economic Perspectives 353, 383
Journal of Post Keynesian Economics 190, 368, 372
Kahn, S. 350
Kahn’s multiplier 83
Kaldor, N. 9, 76, 78, 83, 183, 187, 191, 248, 301, 374
Kalecki, M. 83, 100, 284, 380, 394, 404
Katzner, D.W. 85, 121, 124, 135
Keen, S. 44, 77, 80
Keller, R. 368
concept of demand deficiency 30–33
liquidity preference theory 280–81
theory of employment 30
theory of the investment multiplier 30–33, 34
theory of unemployment 31
Keynesian macro theory 68
Keynesian macroeconomics 389–405
medium-run 393–5
Keynesian uncertainty, and complex
dynamics 77
King, J.E. 74, 82, 89, 171, 383
King, M.A. 188, 248
Kirman, A. 70
Klamer, A. 382, 383
Klein–Goldberger model 68
Knapp, G.F. 203
Knight, F.H. 242
Koppl, R. 78
Kregel, J.A. 89, 135
Krisler, P. 90
Krueger, M. 248
Krugman, P.R. 153
Kuhn, W. 338, 339, 341, 348
Kurihara, K. 203
Kurz, H.D. 81
Kydland, F.E. 224
<table>
<thead>
<tr>
<th>Author</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Laidler, D.</td>
<td>248</td>
</tr>
<tr>
<td>laissez-faire economy</td>
<td>292, 297, 298</td>
</tr>
<tr>
<td>Laramie, A.</td>
<td>103</td>
</tr>
<tr>
<td>Law, R.</td>
<td>213, 214</td>
</tr>
<tr>
<td>Lawson, T.</td>
<td>88, 100</td>
</tr>
<tr>
<td>Lehnert, D.</td>
<td>86</td>
</tr>
<tr>
<td>Leijonhufvud, A.</td>
<td>76</td>
</tr>
<tr>
<td>lender of last resort</td>
<td>151–2</td>
</tr>
<tr>
<td>lenders' risk</td>
<td>178</td>
</tr>
<tr>
<td>lending criteria</td>
<td>180, 180–81</td>
</tr>
<tr>
<td>Leontief</td>
<td>66</td>
</tr>
<tr>
<td>Lerner, A.P.</td>
<td>203, 211, 212, 374</td>
</tr>
<tr>
<td>LeRoy, S.</td>
<td>272</td>
</tr>
<tr>
<td>Lerrick, A.</td>
<td>153</td>
</tr>
<tr>
<td>Lewis, M.K.</td>
<td>365</td>
</tr>
<tr>
<td>liquidity crisis</td>
<td>154, 155</td>
</tr>
<tr>
<td>liquidity preference</td>
<td>127, 227, 230, 257, 282, 287</td>
</tr>
<tr>
<td>liquidity preference theory</td>
<td>12, 277, 280–81</td>
</tr>
<tr>
<td>‘liquidity trap’</td>
<td>228, 346</td>
</tr>
<tr>
<td>Lloyd, S.</td>
<td>75</td>
</tr>
<tr>
<td>loanable funds theory</td>
<td>282, 287</td>
</tr>
<tr>
<td>loans, creation of deposits</td>
<td>189–94</td>
</tr>
<tr>
<td>Loasby, B.J.</td>
<td>77</td>
</tr>
<tr>
<td>London Interbank Overnight Rate (LIBOR)</td>
<td>275</td>
</tr>
<tr>
<td>long-run Day–Walter dynamics</td>
<td>87</td>
</tr>
<tr>
<td>long-run equilibrium</td>
<td>81</td>
</tr>
<tr>
<td>long-run Keynesian model of growth and development</td>
<td>396–8</td>
</tr>
<tr>
<td>intertemporal analysis</td>
<td>396</td>
</tr>
<tr>
<td>linkages between episodes</td>
<td>396–8</td>
</tr>
<tr>
<td>path dependence</td>
<td>397</td>
</tr>
<tr>
<td>Lordon, F.</td>
<td>85</td>
</tr>
<tr>
<td>Lorenz, E.N.</td>
<td>75, 77</td>
</tr>
<tr>
<td>Lorenz, H.W.</td>
<td>78, 84</td>
</tr>
<tr>
<td>Lovejoy, P.E.</td>
<td>213</td>
</tr>
<tr>
<td>Lowe, A.</td>
<td>114</td>
</tr>
<tr>
<td>Lown, C.</td>
<td>177</td>
</tr>
<tr>
<td>Lucas, R.</td>
<td>373</td>
</tr>
<tr>
<td>McCallum, B.T.</td>
<td>222</td>
</tr>
<tr>
<td>macroeconomic fluctuations</td>
<td>83</td>
</tr>
<tr>
<td>macroeconomic theory</td>
<td>68</td>
</tr>
<tr>
<td>Macroeconomics</td>
<td>154</td>
</tr>
<tr>
<td>macroeconomics, money in</td>
<td>376–7</td>
</tr>
<tr>
<td>mainstream economics</td>
<td>369, 382</td>
</tr>
<tr>
<td>Malgrange, P.</td>
<td>84</td>
</tr>
<tr>
<td>Man Makes Himself</td>
<td>65</td>
</tr>
<tr>
<td>Mankiw, N.G.</td>
<td>356, 370, 382, 391</td>
</tr>
<tr>
<td>March, J.</td>
<td>68</td>
</tr>
<tr>
<td>Marget, A.</td>
<td>142</td>
</tr>
<tr>
<td>marginal efficiency, capital</td>
<td>292, 295</td>
</tr>
<tr>
<td>market economy</td>
<td>65–6</td>
</tr>
<tr>
<td>market issues</td>
<td>29</td>
</tr>
<tr>
<td>Marshall, A.</td>
<td>67, 87</td>
</tr>
<tr>
<td>Marshallian price theory</td>
<td>374</td>
</tr>
<tr>
<td>Martijn, J.K.</td>
<td>332</td>
</tr>
<tr>
<td>Marx</td>
<td></td>
</tr>
<tr>
<td>circuit of capital</td>
<td>377</td>
</tr>
<tr>
<td>on tax-driven money (TDM)</td>
<td>205–8</td>
</tr>
<tr>
<td>Marx, K.</td>
<td>88, 103</td>
</tr>
<tr>
<td>May</td>
<td>233</td>
</tr>
<tr>
<td>May, R.M.</td>
<td>76</td>
</tr>
<tr>
<td>Metzler, L.</td>
<td>71</td>
</tr>
<tr>
<td>Meulendyke, A.</td>
<td>372</td>
</tr>
<tr>
<td>Meyer, L.H.</td>
<td>222, 332</td>
</tr>
<tr>
<td>microeconomics, from an out-of-equilibrium point of view</td>
<td>68</td>
</tr>
<tr>
<td>Mill, J.S.</td>
<td>204</td>
</tr>
<tr>
<td>‘mind over matter’</td>
<td>65–7</td>
</tr>
<tr>
<td>financial instability hypothesis</td>
<td>44, 282–7</td>
</tr>
<tr>
<td>Miron, A.</td>
<td>224</td>
</tr>
<tr>
<td>Mirowski, P.</td>
<td>74</td>
</tr>
<tr>
<td>Mishkin, F.S.</td>
<td>154</td>
</tr>
<tr>
<td>Mitchell, W.F.</td>
<td>85</td>
</tr>
<tr>
<td>Mizen, P.D.</td>
<td>365</td>
</tr>
<tr>
<td>modern monetary theory</td>
<td>291</td>
</tr>
<tr>
<td>Modigliani, F.</td>
<td>68</td>
</tr>
<tr>
<td>MODLER software</td>
<td>259</td>
</tr>
<tr>
<td>Monetarism</td>
<td>142, 144</td>
</tr>
<tr>
<td>monetary aggregate policies, central banks</td>
<td>354</td>
</tr>
<tr>
<td>Monetary Analysis</td>
<td>294, 297, 298, 300, 301</td>
</tr>
<tr>
<td>monetary circuit, dynamic model</td>
<td>39–41</td>
</tr>
<tr>
<td>monetary exchange</td>
<td>38</td>
</tr>
<tr>
<td>monetary flows</td>
<td>29</td>
</tr>
<tr>
<td>Monetary Keynesianism</td>
<td>155, 157</td>
</tr>
<tr>
<td>Monetary Policy</td>
<td>154</td>
</tr>
<tr>
<td>monetary policy</td>
<td>337, 371</td>
</tr>
</tbody>
</table>
and capital accumulation 298
in credit economy model 343–7
and credit rationing 231–3
and inflation 372
limitations of 339
long-term non-neutrality 337
objectives of 230–31
in the presence of a fall in
autonomous demand 225–6
role in endogenous money analysis
230–33
and the slope of the aggregate
demand curve 361–3
when money is endogenous 221–35
Monetary Policy Committee (MPC),
Bank of England 306, 308, 314,
323, 331
monetary policy rule 360, 362
monetary restriction 337
monetary theory, Moore’s list of false
propositions 303
monetary theory of production 171
IPKE 376–7
monetary transactions, bilateral
character 26
money 3, 4, 211–12
bank money and commodity money
21
and chaotic dynamics 80
commodity, fiat and credit 304
defined as a claim to money 25
definition of 23–4
demand for 189–90, 192, 195, 303
distinguished from deposits 28, 29
and financing of production 27
in macroeconomics 376–7
as a means of final settlement 37
nature of 22–3
neutrality of 291, 294, 303
primitive 9
as a social relation 241, 246
as a stock 27
money creation 24, 25, 177
endogenous nature 187
money demand schedule 192
Money Economics 251
Money and the Mechanism of Exchange
208
Money in Motion 202
Money and the Real World 374
money stock, exponential decay with a
time lag in spending 40
money supply
and central banks 150
elasticity 142–3
money supply function 145, 150
horizontal 150
modified horizontal supply function
163–5
money supply process 146
money tokens 37, 57
Money Unmade 216
Monnet, C. 248
Moore, B.J. 3, 12, 22, 23, 24, 26, 36, 75,
77, 85, 105, 115, 150, 172, 173,
175, 176, 177, 179, 180, 181, 184,
192, 193, 202, 227, 253, 259, 272,
273, 276, 290, 337, 348, 349, 353,
354, 358, 374, 376, 377, 380
books by 407
journal articles and chapters in
books by 407–10
list of false propositions of
contemporary monetary theory
303
six features of credit money systems
304
work of 1–2
Morishima, M. 68
Mosekilde, E. 86, 89
Mosler, W. 203
Mott, T. 377
multiplier 32, 33, 34, 189, 226
multiplier process 3
multiplier-accelerator model 83
NAIRU 226, 370, 379–80, 383, 392
estimation 380
‘narrow tent complexity’ 76, 78
Nell, E.J. 89, 202, 203, 378, 380
Nelson, A. 208
Nelson, R. 69, 70
neo-liberalism 381
neoclassical economics 66–7
neoclassical exchange 38
Neoclassical Synthesis Keynesianism
144
network money 237–8
New Classical Economics (NCE) 15,
368, 371, 390
axiom of reals 376
opposition to theory 369
New Classical Macroeconomics 242
‘new consensus’ 221, 230
‘new consensus’ macroeconomics (NCM) 16, 222–5
‘new consensus’ model 226
and inflation 231
new economic growth theory (NEG) 373–4
new growth theory 381
new horizontalism 290, 293–7, 297–300
Romer’s analysis 305
New Keynesian longer-run analysis 391–3
New Keynesian macroeconomics 370–73
New Keynesian short-run analysis 390–93
imperfect competition 390
New Keynesianism 144, 176–7, 369, 372, 381
and Post Keynesianism 378–81
New Zealand 315
Newton, I. 63
Nicholas Kaldor and Mainstream Economics 202
Niggle, C.J. 187, 276, 378, 380
nominal income 194
non-accelerating inflation rate of unemployment see NAIRU
non-ergodicity 88, 375
non-linear accelerators 83
non-linear equations 64
nonbank intermediaries 24
nonlinearity 75
Nordhaus, W.D. 347
Nusse, H.E. 90
Obstfeld, M. 153
O’Donnell, R.M. 90, 101
O’Driscoll, G.P. 90
open discount window 154
open systems 88
Orphanides, A. 332
Ott, E. 43–4
out-of-equilibrium adjustments 87
out-of-equilibrium macro 68
output, and bank lending 177
overdraft facilities 28–9, 191, 196
overdraft financial system 255
overnight rates 280, 281, 286, 287
Palacio-Vera, A. 354, 358
Palley, T.I. 89, 135, 137, 171, 195, 247, 253, 349, 378
Papadimitrou, D. 282, 284
paper-money 204–5, 208, 209–10
Parguez, A. 25
Parkin, M. 372
party control theory 394
Pasinetti, L.L. 81
Peitgen, H.O. 78
Penrose, E. 115
personal credit 196–9
Phillips curve 51, 52, 223–4, 298, 346, 391
position of 394–5
Pigou effect 303
Pindyck, R. 99
PKT Internet list 75
Pohjola, M.T. 84
Poincaré, H. 64, 89
Polanyi, K. 22, 213, 214
Pollin, R. 136, 171, 173, 187, 195, 349
Polterovich, V.M. 86
Poole, W. 354
portfolio change process, and
exogenous money 147
portfolio preferences 189
Posen, A.S. 224
Post Keynesian economics 374–8
and complex dynamics 74–98
definition 382
‘fundamental or absolute uncertainty’ 375
and instability 375
Post Keynesian endogenous money analysis 227–30
Post Keynesian models 85, 338
Post Keynesianism 5, 142, 179
fundamentalist 74, 75, 76–80, 89
Kaleckian 74, 82–4
and new Keynesianism 378–81
Sraffian (or neo-Ricardian) 74, 81–2
predator–prey growth cycle model 45, 84
Prescott, E.C. 224
Pressman, S. 89
price formation 41
price level 377
changes in 142
*Principles of Political Economy* 204
private banks 241, 252
treasury bill holdings 253
private clearing systems 237
private sector, repayment of debt 9
probability theory 64
production, financing of 27–30
*Production of Commodities by Means of Commodities* 81
production process, as a monetary circuit, model 39–41
property 151
Pryor, F.L. 76
Puu, T. 83, 85, 90
quantity theory 23, 303
of inflation 187, 191
quasi-money 240
Quigley, C. 65
Rand, D. 76, 90
random walk 312
Rankin, N. 347
rational choice 69
‘rational expectations’ 67, 99
Real Analysis 290, 291, 292–3, 299, 300, 301
Moore’s rejection of 292
real bills doctrine 148
Real Business Cycle theory 370
real time gross settlements (RTGS) systems 294
recursive programming (RP) models 69
*Reports of the Fiscal Commission* 207
reserves, endogeneity 174
retail price index (RPIX), bank forecast 319–21
revolving fund of finance 28, 30
Reynolds, P.J. 89
Rich, G. 332
Richardson, C.L. 104, 110, 113
Riese, H. 154, 155, 156, 157
right of redemption 157, 158
risk 286
Minsky’s use of term 285
risk economy model 338
Rizzo, M.J. 90
Robertson, D.H. 189
Robinson, J. 81, 82, 85, 89, 107, 115, 177
Rochon, L.-P. 23, 172, 173, 175
Rogers, C. 294, 295, 301
Romer, C. 383
Romer, D. 15, 290, 293, 294, 295, 297, 299, 301, 353, 383
new horizontalist analysis 305
Romer, P. 373
Roosa, R.V. 232
Rosser, J.B. Jr. 74, 75, 76, 77, 78, 81, 82, 86, 90
Rosser, M.V. 86
Rossi, S. 34, 175
Rotheim, R. 383
Rousseaux, S. 172, 374
Rudebusch, G.D. 332
Runde, J. 77, 90, 100
Rymes, T.K. 294
Sack, B. 307
Salvadori, N. 81
Samiei, H. 332
Samuelson, P.A. 83
Sargent, T.J. 75, 310
saving 27
and capital accumulation 303
identity of 30
and investment 3, 25, 230, 379
effects of interest rate 229
Keynes on 28
Say, J.B. 204, 282
Scafetta, N. 42
Schaberg, M. 195
Schellekens, P. 310
Schelling, T. 76
Schmidt, E. 115
Schmitt, B. 27
Schoenmaker, D. 150, 153
Schumpeter, J.A. 25, 103
Schwartz, A.J. 153
Screpanti, E. 253
Seccareccia, M. 25, 282
Semmler, W. 80, 202
Setterfield, M. 85, 129, 135, 182, 358, 369, 383, 404
Shackle, G.L.S. 77, 90, 115
*Shaking the Invisible Hand* 2, 75
Index

Shaw, E.S. 232
‘shifting equilibrium’ model of
effective demand 119, 120–26, 182
commercial banks reaction to
financial fragility 126–8
determination of nominal income
120–21
expectations 122–3
financial sector 121–2
nominal income 128–34
shape of credit supply curve 128–34
shifting equilibrium 123–6
Shiller, R.J. 248
shocks 311, 354, 371, 391, 396
Sieveking, M. 80
Silverberg, G. 86
Simon, H. 68
Skott, P. 84, 90
Smith, A. 65, 203–4
Smith, J.C. 350
Smyth, D.J. 83
‘social bargain’ strategy 395, 402
social control, and IPKE 380
social loss function 298
Soliman, A.S. 84
Solomon, E.H. 247
Solovian growth models 373
Solow, R.M. 338, 373, 392, 393
Some Chapters on Money 210
sovereign governments 279, 280
sovereign rates 274
Spahn, H.-P. 157
speculation 245
spillover effects, investment 373
spontaneous self-organization 103
Sraffa, P. 81
‘Stability and growth pact’ 337
stabilization policy 347, 348, 383
Stadermann, H.-J. 157
Starr, R.M. 216
state, and central banks 158
state intervention 373–4, 381
‘state of trade’ 194
Steiger, O. 22, 151, 157, 165
Steuart, J. 152
Stevens, G. 299
Stiglitz, J.E. 242, 248, 349, 370, 381
Stiglitz, L. 233
stock/flow mechanisms 71
stock market crash model, Zeeman 79
Stodder, J.P. 76
Strotz, R.H. 83, 89
structural invariance hypothesis 244
structural liquidity deficit, and
banknote circulation 159–60
structuralism 130, 136, 171, 173, 271
supply-side approach 381, 383
surplus spending 26
susceptibility, and uncertainty 101–104
Svensson, L.E.O. 290, 297, 298, 307,
310, 332
Sylla, R. 276
systems engineering 45
tax-driven cowrie 212–14
tax-driven money (TDM) 9, 202–20
in classical economics 203–5
concept 203
in contemporary thought 215–16
in early neoclassical economics
208–10
in the history of economic policy
214–15
in Marx 205–8
in twentieth century economic
thought 210–12
taxes, and capitalism 205–8
Taylor, F.M. 210–11
Taylor, J.B. 299, 300, 306, 353, 370,
371, 372
Taylor rule 294, 297
teaching of macroeconomics 15
Theories of Surplus Value 208
Thom, R. 76
Thornton, H. 151
The Times 312
Tinbergen 68
Tobin, J. 203, 251, 253, 255, 383, 391
Toulmin, S. 72
Townshend, H. 281
transaction costs 242
transaction flows 251
‘The Transmission Mechanism of
Monetary Policy’ 308
transmission mechanisms 310
traverse problem 90
treasury bills 253, 255, 258, 260
Treatise on Money 146, 294
A Treatise on Political Economy 204
Treatise on Probability 77
Trevithick, J. 9, 191
‘two price theory’ of investment 282, 286
Tymoigne, E. 368

uncertainty 5, 8, 44, 74, 76, 77, 78, 88, 99, 243–4, 246, 374
and the banking system 176–80
in credit economy model 341
investment under 99, 100
macrouncertainty 178, 179, 184
microuncertainty 178, 179, 184
and monetary policy 241–6
and post Keynesian economics 375
sources 101
and the supply of credit 180–84
and susceptibility 101–104
and transmission mechanisms 310
unemployment 298, 300, 379, 392–3, 398, 399, 402–3
and aggregate demand 390
and inflation 399, 400–401
Keynes theory of 31
party control theory 394
and price stability 380

Varian, H.R. 76, 83
Veblen, T. 85
Vento, G.A. 161, 162
Venturino, E. 365
Volcker, P. 372
von Bertalanfly, L. 88
Von Glahn, R. 216

wages 294, 395
levels of 377
Waldrup, M. 103

Wall Street Journal 293

Wallace 64
Walras, L. 65, 66, 67, 87
Walsh, C. 370
Walsh, C.E. 353
Walter, J.L. 82, 86
Wealth of Nations 203
Weiner, S.E. 247
Weintraub, S. 146, 187, 374, 380
Weiss, A. 233
Wendell Gordon 380
White, J.D. 206, 207
Wicksell, K. 292, 295
Wicksteed, P.H. 208
Wieland, V. 307
Wiener, N. 76
windfalls 193
Winter, S. 69, 70
The Wisdom of the Body 70
Wolfson, M.H. 177, 179, 180, 181, 182, 257
Woodford, M. 247, 249, 295, 306, 311, 350
Woodruff, D.M. 216
workers’ money balances 39–40
Wray, L.R. 9, 22, 137, 171, 172, 174, 187, 203, 204, 210, 253, 272, 276, 277, 282, 284, 378, 380
Wu, T. 332
Wyplocz, C. 337

Yale Economic Essays 69
Yeager, L.B. 81

Zarnowicz, V. 103
Zeeman, E.C. 76
stock market crash model 79
zero elasticity of production 146
Zezza, G. 257, 264
zone of flexible response (ZFR) 69