Subject index

absolute exchange 37, 55
  rates 66
absolute prices 35
accounting circuit 160
accounting units 73
agent’s real income 125
amortization
  and fixed capital 152
  of fixed capital 183–85
  Keynesian 152–54
  and over-investment 156–59
asset circulation 139
asset-liability 1, 55, 73
autonomous/accommodating
  transactions 267–68
balance of payments 263–72
  Balance of Payments Annual Report 276
  Balance of Payments Manual 263, 268, 271, 280
balance-of-payment discrepancies, world 275–91
balance-of-payments equilibrium 267
Bank Act (1844) 179
bank credit and inflation 206–209
bank intermediation 84
bank numbers 73–74, 75
Bank of England 179
banks
  banking principles 174
  credits-debits 85
  debits-credits 85
  departmental separation 179–81, 186
  FCD (fixed capital department) 186–88
  FD (financial department) 179
  ID (issuing department) 179
  units of account 78, 90
see also double-entry book-keeping
barter 74, 108
behavioural laws 39
bilateral financial-market transactions 233
bond issues 115
Bretton Woods 65
business cycle theories 193–200
CA (current account) see balance of payments; double-entry book-keeping
capital
  and interest 120
  malformation of 152
  marginal efficiency of 204
  in production 135
  renewal 152–54
  user cost 115
  working 155
capital accumulation 98, 135, 162, 201, 214
  and inflation 146–61
capital flight 13–14, 263, 275–79, 288
capital flow 271, 274, 276, 277, 278, 280
capital goods exchange 157
capital income 102, 116
capital inflation 136, 159
capital outflow 13, 14, 272–91
capital over-accumulation 181–88
capital-time 211, 212
capitalistic profit analysis 97
celestial mechanics 45
chaotic dynamics 198
circuit of income 8–9, 123, 134–65
  and inflation 135–37
circuit of money 141, 143–44
capital 201
  and payments 144
circuit of profits 148, 160, 161

circuit of wages 161, 171

circulation of money 240

classical macroeconomics 41–43

clearing arrangements, and money 142

closed intervals 35

Cobb-Douglas production function 7, 100, 105

commodity 110–11

commodity equalisation 21–38

commodity inflation 136, 159

commodity-money 209

consumption

analysis 56

and income 58

and production 107

saving as 115

consumption goods 138, 139

coordination failure/success 47

costless incomes 87, 88

credits-debits 85

crises

economic 10–11, 193–215

and economic laws 200–204

quantum analysis of 205–13

cumulative process of inflation 159–61, 209

Currency Principle 179

current account deficit 282–83, 286

current account surplus 285–86

cycle theories 193–200

cycles, and equilibrium 198–200

Danaiid jar mechanism 139–40

debits-credits 85

debt doubling 241–51

deflation 63–64, 136

deflationary gap, and unemployment 185–88

demand deficiency 9, 171–73

demand/supply 6, 19, 21–24, 49, 62, 82, 83–85, 103, 200, 205, 208

demand/supply equality 19, 62

departmentalization 162

dépense gigogne 97

depositors, as bank creditors 174

deposits, as stocks 138

distribution

and division of labour 107

of income 129

and prices 129

and profits 148

distribution model 104

distribution theory 102

disturbances, and equilibrium 199

dividends, and profits 122–25, 127–28, 148

division of labour 109–10

double debt 241–51

double interest 12, 14, 65, 257, 263, 284, 285

double-entry book-keeping 1, 55, 72, 80, 81, 174, 187, 188, 206, 242, 245, 251, 261, 262, 264–68, 272, 280, 282, 283, 290

dynamic stochastic general equilibrium approach 3

earning-through-spending 58

economic aggregates 52–53

economic crises 10–11, 193–215

economic judgements 77

economic laws, and crises 200–204

economic role, of fixed capital 154–56

economic value 74

economic variables 196–98

effective demand 82–86, 175

efficiency-wage model 104

Elements 4, 22, 38, 105, 169

employment 9

and income 173

see also unemployment

empty money emission 2, 159

empty wages 186

EMU 231–36

exchange rate fluctuation 222

monetary disorder 11, 221

trepreneur economy 9, 166, 167–70

trepreneurial income 89–90

trepreneurial remuneration 136, 137

trepreneurial spending 140

EPM (ECB payment mechanism) 223

equations of production 167

equilibrating price 33

equilibrium

balance-of-payments 267

and cycles 198–200

and disturbances 199

export-import equivalence 251

equilibrium price equalization 21–38
equilibrium theory 195–96
equivalence 25, 74
ESCB (European System of Central Banks) 11, 221
ESM (European Stability Mechanism) 234–35
euro-area crisis 221–36
European Monetary Union see EMU
European settlement institution 232–34
Eurosystem see ESCB
euthanasia of rentiers 189
ex ante/ex post analysis 172
exchange
between equivalents 24
definition 24
and division of labour 111
mediums of 143
and production 102, 108–10
terms of exchange equalization 24
types of exchange 90
exchange rates
absolute 66
EMU fluctuation 222
relative 65
exorbitant privilege 11, 221
expected profit 122
expenditure
and income 57
and money creation 73
export-import equivalence 251
external debt 12–13, 242–51
developing countries 287
factors of production 169–71
FCD (fixed capital department) 186–88
FD (financial department) 179–81
final purchase 85
finance motive 9, 173–76, 188
financial assets 79
and money 141–43
financial crises 10–11, 193–215
financial wages 79
firms
debts 56
goods produced 186
income investment 211
income lent to 210
and inflation 151
profits 128
profits lending 186
and replacement capital 153
and wage bills 184
first purchase 85
fixed capital 98, 114–16, 152, 153–56,
183–85, 211–13
flow of payments 266
foreign currency outflow 245
foreign currency transactions 251–60
formation, of fixed capital 183–85
fungible goods 86
general equilibrium analysis (GEA) 40,
44, 45, 46, 51, 52, 53
general equilibrium theory 3
general price level see GPL
The General Theory of Employment, Interest and Money 6, 46, 49, 52,
82, 89, 90, 97, 111, 137, 148, 150,
152, 153, 159, 172, 174, 189
global capital account discrepancies 274, 275
global demand and income 201
Global Development Finance Database 276, 287
global import/export inequality 282
global supply/demand 46–49
goods
categories 240
fungible 86
stocks 138
goods market
expenditure and income 149
profits 115
transfer 126
GPL (general price level) 77, 177
HICP (Harmonized Index of Consumer Prices) 178
homo oeconomicus 3
hydraulic circuit 160
ICU (International Clearing Union) 65
ID (issuing department) 179–81
identity 266
IIP (international investment position) 256, 263, 268–72
IMF 13, 241, 270, 273
IMF Balance of Payments Annual Report 276
Modern monetary macroeconomics

IMF Balance of Payments Manual 263, 268, 271, 280
income
and consumption 57
emission by workers 111
and production 101–14
and wage-units 110–14
income circuit 8–9, 123, 134–65
income determination 51
income distribution 101, 105, 128–29
income, and employment 173
income inflation 136
income transfer 124
income-expenditure 89
income-formation 89
indeterminacy of relative prices 21–38
inflation 9, 61–64, 134, 135, 178
and bank credit 206–209
and capital accumulation 146–61
capital inflation 136, 159
and circuit of income 135–38
commodity inflation 136, 159
cumulative process of 159–61, 209
dysfunctional 146
and interest rate 161
invisible, and investment 150–52
and payments 137
and profits 144–45, 147
and qualitative arrangements 178–81
and stocks differences 138
types of 136
Inflation, chômage et malformations du capital 49, 96
instantaneous circuit of money 79–82
instrumental capital 92
interest
double payment 12, 14, 65, 257, 263
and labour 117
and labour productivity 121
nominal 120, 127
as profit 117
real 127
and sovereign debt 239–60
and wages 116–22
interest income position 13
interest rate 118
and inflation 161
interest theorem 251–60
interest-goods 93, 94, 103, 118, 119, 124–25
Interlinking account 224
international final payments 232
international investment position (IIP) 256, 263, 268–72
international macroeconomic disorders 64–66
International Monetary Fund see IMF
international reserves 13
intervals definition 35
investment 147–52
amortization and over-investment 156–59
circulation-based 135
as expenditure 148
as invisible inflation 150–52
Keynesian 147–48
and profit 115, 148–51, 157–58
socialization of 189
investment goods inflation 137
investment goods sector, and profit 139–40
investment, total saving/total investment 205
involuntary unemployment 48, 61, 161
IS-LM model 50–51
key-currency countries 221
Keynes plan 231
KFA (capital and financial account) see balance of payments; double-entry book-keeping
La formation du pouvoir d'achat 6, 71
labour 7–8
and capital 84–85
division of 109–10
and income 57
and production 46, 107, 169
sale of 84–85
and surplus-value 201
and wages 112
labour/labour force distinction 87–88
labour income 102
labour-value 74
Lavoisier's principle 55, 106
LDC indebtedness 65
logical identities (Keynes) 49–50, 59–61
M-C-M formula 168, 200–201
Maastricht Treaty 223
macroeconomic agents 59–61
macroeconomic consumption 55–58
macroeconomic disorders, national/international 61–66
macroeconomic income 51–52
macroeconomic production 55–58
macroeconomic set 54–55
macroeconomics
aggregation 54
classical 41–43
definition of 54–55
Keynesian 45–53, 59
logical identities 49–50, 59–61
macroeconomic approach to 5–6, 39–70
microeconomic approach to 5, 10, 42, 52
national-international 58–59, 61–66
quantum analysis 6, 37, 40, 53, 59, 63, 71, 75, 90, 91–92, 95, 101, 178, 189, 205–13, 205–15
saving and investment 49–50
malformation of capital 152
marginal productivity-to-wage causality 104
market clearing 85
mediums of exchange 143
microeconomics 50–53
approach to macroeconomics 5, 10, 42
distribution theory 102
Walrasian 43–45
missing capital outflow 13, 14, 272–91
missing prices 32–36
missing surplus 13, 14, 272–91
monetarist models 53
monetary circuit theory 2
monetary commodity 110–11
monetary disorder 11
monetary payments 239
monetary policy 9, 173–81
flaws in 177–78
monetary union 222–23
monetary-structural disorder 2
monetization 75, 84, 85
money
as accounting device 135
as asset 141–42
bank numbers 73–74
blue money 76, 77, 79
circuit of 141, 143–44
and clearing arrangements 142
commodity-money 209
and credit 6
as debt 55
dematerialization of 239
emission of bank money 72–73
and financial assets 141–43
as form of value 43, 45
instantaneous circuit of 79–82
intrinsic value 74, 76–77, 112
and macroeconomic production/consumption 55–58
and money income 46
nature of 53, 60
nominal money 6, 75–79, 90, 95, 96, 242
as numéraire 4, 36, 38
and output 112–13
and payments 137–39
and production 37
and profit formation 123
quantity theory of 6, 12, 240–41
real money 6, 75–79, 90, 95–96, 242
red money 76, 77, 79
zero-sum 72, 73
money circulation 6, 8, 12, 37, 38, 75, 81, 239–40
velocity 240
money creation 72–73, 141, 173–81
money emissions 1, 72–73, 101
money flows 37
see also double-entry book-keeping
money units 81
money-income 46, 206
money-wage economy 168
money-wage rigidities 7
money-wages 79, 80, 81
and sales 171
multilateral financial-market transactions 234
national macroeconomic disorders 61–64
NCB (national central banks) 11, 65, 221
neoclassical economics 7, 24, 26, 34, 43–44, 87, 121, 195
net interest payments 13, 14
nominal convergence criteria 223
nominal income 93, 125–28
nominal interest 120, 127
nominal money 6, 75–79, 90, 95, 96, 242
nominal wages 104, 120, 126
non-equilibrium dynamics 198
non-fungible goods 86
non-wage income 7–8, 114–16
normal goods 28
normal profit 140
normal remuneration 136
numbers and commodities 22–23, 34, 35
numéraire (Walras) 4, 21–24, 25, 27, 28, 31, 34, 35, 36, 37, 38
as money 4, 36, 38
numéraire-commodity 31, 34
numerical equilibrium prices 19–38
numerical prices 25, 26
official reserves 268–72
open intervals 35
orderly system 199
output
and money 112–13
as stock 209
in wage economy 110
output markets 125
output production 114
output utility 106
over-accumulation, of fixed capital 183–85
payment, and circuit of money 144
payment methods 138–39
payment units 73
payments, flow of 266
pen/razor-blade commodity exchange 3–4, 19–38, 74
physical prices 25, 26
physiocratic analysis 40–41
positive payments 239
positive profits 89
power of appropriation 155
price existence 35
price stability 177
prices
charged 125
and distribution 129
and factors of production 88
in money units 35
prime cost 89
product-in-the-money 46
production
as absolute exchange 55
classical analysis 41–43
components of 158
and consumption 107
double partition 158
and economic agents 203
and environment 106
equations of production 167
and exchange 102
factors of production 169–71
and income 101–14
and labour 46
production-function model 104
productive consumption 155
productive services and goods 167
profit 71, 86–99
circuit of profits 148, 160, 161
and consumption goods sector 139–40
definition 122, 136, 168
and dividends 122–25
and inflation 144–45, 147
and investment 115, 148–51, 157–58
and investment goods sector 139–40
normal profit 140
and prices 150
and productivity 122
windfall profit 137, 140, 147
profit inflation 136, 137
profit realization 88, 122
profit spending 9, 146, 150, 182–83
profit-goods 124
public debt 239
quantity theory of money 6, 12, 240–41
quantum analysis 6, 37, 40, 53, 59, 63, 71, 75, 90, 91–92, 95, 101, 178, 189, 205–15
rational mechanics 45
real capital 92
real commodity 90, 110–11
real exchange economy 9, 167–68
real income 93, 125–28
real interest 127
real money 6, 75–79, 90, 95–96, 242
real wages 79, 126
realization of profit 88, 122
relative exchange rates 65
relative exchanges 24–27
relative prices 19–38, 35, 44, 88, 89
indeterminacy of 21–36
in real world 24–27
reserve assets 268–72
RT (reserve asset transactions) 269
RTGS (Real-Time Gross Settlement) protocol 223, 224
saving, total saving/total investment 205
savings 54, 115
Say's Law 47, 48, 200, 202–204
Schmitt School 1, 2
second purchase 85
simultaneous equations 172
singular prices 25, 26
socialization of investment 189
sold output value 89
sovereign debt 12, 239–60
Spätkapitalismus 98
SSP (Single Shared Platform) 224
stagflation 186
sterile class 41
stock-flow reconciliation 272
stocks, and economic system 141
subprime mortgages 10, 193
supply/demand see demand/supply
surplus income, and profit 87
surplus values 87–88
systematic misreporting 14, 263

Tableau économique 40–41
TARGET2 11
cross-border payment 225, 227–30
and EMU 231–36
financial-market transactions 229
imbalance 221–36, 230, 231
infrastructure/mechanics 222–27
and international clearing 227, 235
international payment deficits 230
and international payment finality 227–30
two-tier payment infrastructure 226
tâttonnement (tentative adjustment) 28, 44
team production 104
terms of exchange equalization 24
Théorie unitaire de la monnaie, nationale et internationale 266
total saving/total investment 205
trade cycle 204
trade surplus limitation 235
Trans-European Automated Real-time Gross-settlement Express Transfer see TARGET2
A Treatise on Money 8, 45–46, 83, 89, 90, 117, 134, 135–46, 150, 153, 159, 168, 183, 189
two-commodity economy see pen/razor blade commodity
UK external debt 12
undistributed profits 122
unemployment 6, 48, 135, 161, 166–90
units of account 78, 90
user cost 153
utility 105–108
of input/output 106
as product of labour 107
utils (utility) 74
value in exchange 42
value in use 42
wage bill payment 179–81
wage earners
as lenders 86
and markets 59–60
wage economy 166
wage expenditure 95–97
wage form 121
wage-goods 92–93, 94, 95, 103, 119, 123, 124
wage-units 46, 111, 124, 125, 126, 154
and demand 171
final distribution 101
and income 110–14
as independent variable 111–12
as measure of output 169, 206
and production 42–43, 169
share-out 101

Claude Gnos and Sergio Rossi - 9781782540434
Downloaded from Elgar Online at 12/17/2018 05:41:03AM
via free access
wages 7–8, 55–56, 85–86
as bank deposits 175
Circuit of wages 161, 171
as credit-debit transactions 79
and deposit-holders loans 176
dual expenditure 97
and goods 175–76
and inflation 151
and interest 116–22
and labour 112, 154
and labour-power 201–202
as marginal product of labour 111
money wages 79, 80, 81
and national output 83
nominal 104, 120, 126
and profits 184
real wages 79, 126
Walrasian theory 3, 4, 43–45, 89
see also GEA; numérale

The Wealth of Nations 46
Werner Report 223
widow’s cruse mechanism 139–40
windfall profit 137, 140, 147
Wittgenstein’s ladder 26–27
world balance-of-payment
discrepancies 275–91
World Bank Global Development
Finance Database 276
world capital and financial account
discrepancies 262, 274
world current account balance
273
world current account discrepancy
13, 262
zero profits 89
zero sum transactions 239–40
zero-cost income 86