Index

Accoce, J. 71
‘activist’ and ‘parking’ approaches 60–61, 116–17, 118–19, 239
Aghion, B. 193
Aglietta, M. 54, 162, 318, 319, 330, 331
Altman, D. 34
Arellano, M. 180, 181
Argentina, international bond defaults 150
Argitis, G. 289, 303, 307, 310
Arrow, K. 219–20
Asensio, Angel 213–34
Asian Development Bank, and Basel II 203
Asian financial crisis, and systemic risk 169
Ataç, I. 293, 303
Azaïs C. 330
Bakir, C. 202, 293, 295, 297, 308
Ball, L. 237, 284, 305
Baltagi, B. 184
Baragar, F. 2
Basel I 146–9
Basel II and money supply process 174–90
bank capital role on monetary policy transmission process 175–6
bank equity and bank capital channel 175–7
bank loans and collateral categories 176–7
banks’ credit exposure calculation 176–7
and capital adequacy ratio (CAR) 166–7, 176–7
and equity multiplier 176–7
equity statistics 186, 188–90
and EU/US coexistence 165–6
and global banking see global banking, Basel II as new regulatory framework for loan model 177–9
loan model, econometrics and results 179–82
and post-Keynesianism 175, 177, 178–9, 181
supervisory review, EU cross-border implementation 161–3
Basel II, national development banks, implications of 191–210
asset-backed securities and risk 201–2
Basel I, failings of 194
Basel II, history and focus 193–5
capital requirements (Pillar I) 153–4, 194
and credit, long-term 199–200, 207
and credit, long-term, maturity consideration, waiver of 200
credit risk 194, 204
and developing countries 198, 201
equity exposures 200–201
and export credit 202
financial institutions, associated 205–6
and financial subsidies 193
and funding 205
insurances, and risk management 202
internal ratings-based approach (IRB) 194, 195, 198, 200, 201
and Kreditanstalt für Wiederaufbau (KfW), Germany 196, 197, 198–200, 201–2, 203, 205–6
market discipline (Pillar III) 163–4, 194, 195, 196
market orientation and procyclicality 204–5
mobilization and SME special treatment 199
multilateral development banks, funding 205
national development banks, history and definition 192–3
and national government involvement 198, 207
overview 195–7
portfolio diversification 202–3
and project financing 202
prudential regulation 206–8
Quantitative Impact Studies 191–2
risk management 201–4, 206–8
risk mitigation measures 203–4
risk-intense operations 197–8
and securitization 19, 21, 53–4, 152–3
and SMEs and risk 198–9
supervisory review process (Pillar II) 158–63, 194–5
Becattini, G. 314
Bellofiore, Riccardo 13–32
Berg, J. 102
Bernanke, B. 22, 34, 35–7, 40, 41, 42, 63, 171, 175, 227, 264
Beugelsdijk, M. 66
Bhaduri, A. 263, 331
Biorn, E. 180
Blanchard, O. 237
Blecker, R. 137
Bliek, J. 71, 77, 80, 82–3, 84, 85, 88, 93, 95
Blinder, A. 175
Bond, S. 180, 181, 184
Bowles, S. 134
Boyer, R. 54, 319, 322, 324–5, 328, 330
Brazil, fund-transferring institutions 206
Bruck, N. 193, 196, 208
Brunner, A. 170
Bryan, D. 13
Burdekin, R. 136
Burkett, P. 136
Caillard, N. 170
Calvo, G. 302, 303
Canada
Bank of Canada monetary policy 105–9
and interest rates in interbank money markets 106–9
large value transfer system (LVTS), adoption of 106–8, 110
open market operations, abandonment of 109
reserve requirements, phasing out of 106
Sale and Repurchase Agreements (SRAs) 108–9, 110
Special Purchase and Resale Agreements (SPRAs) 108–9, 110
state-injected liquidity 33–4
Canova, F. 309
capital adequacy ratio (CAR), and Basel II 166–7, 176–7
capital requirements, Basel II, Pillar I 153–4, 194
capitalism
cognitive see cognitive capitalism
finance-led, future of 52–4
new 27–32
Cappelen, A. 67
Carlin, W. 262
Cassi, L. 314, 330
Cecchetti, S. 264
central banks
banking system, perceived constraints 74–6
and base money as endogenous means of final payment 105–9
Great Depression lessons for 36–7
independence and inflation 291–2
and key policy interest rate 269–70
monetary base control 102–3
money, preference for 99–100
and regulatory supervision 162
see also individual countries
Chami, R. 175
Chartalist school 98–9
Chesnais, F. 15
China Development Bank, and Basel II 195, 203
Chortareas, G. 228
Clarida, R. 60, 262
Clinton, K. 108, 109
cognitive capitalism, instability and uncertainty in 313–34
capital–labour compromise, decline of 317
finance-led capitalism 318–19
financial uncertainty and work insecurity 318
flexible accumulation of knowledge and globalization 316–18
innovation and uncertainty 327
and intellectual property rights (IPR) 315, 316, 320, 321, 322, 323, 328
and Italian ‘Workerist’ approach 330
knowledge exploitation and labour market fragmentation 316
and knowledge phases 314
and knowledge-based economy 313–16
model used 319–24
and network economies 315
peculiarity of cognitive capitalism 313–19
and productivity and efficiency loss 317
and shareholder sovereignty theory 318
social productivity and knowledge, trade-off between 315
system stability 324–5
uncertainty and knowledge 325–8
see also capitalism
Colander, D. 65
consumer price indices 1999–2006 (US and EU) 218
Coriat, B. 54, 314
Cornford, A. 194
Cornwall, J. 134
Corsani A. 330
Cosimano, T. 175
Costa Storti, C. 264
credit
exposure calculation, Basel II 176–7
long-term, and Basel II 199–200, 207
rating agencies 20, 149, 150–51
risk 147–8, 149–51, 194, 204
see also debt; lending
Creel, J. 217–18, 287
Cukierman, A. 291, 292
Darity, W. 88
Dash, E. 50
Davidson, P. 222, 225, 228
Davies, P. 51
Davis, R. 103
De Bandt, O. 100
De Cecco, M. 16
De Grauwe, P. 264
Debreu, G. 219–20
debt
collateralized debt obligations (CDOs) 20, 21–3, 48–9, 51
deflation and interest rates 35–6, 37–8
indebtedness and financialization, US 15–16, 19–20, 29–30
and Minsky’s cyclical theory of capitalism 23–6
settlement and clearing, distinction between 100
state deficit and public debt, anchor role of 79–81
twin deficit theorem and foreign constraint 81–4
see also credit; individual countries; lending
demand
fiscal policy and aggregate demand accuracy 275–80
and inflation, links between 282–3
Demiralp, S. 102
derivatives
and financial crises 169
market discipline and disclosure 164
and risk 13–14, 20, 21, 153
Derviş, K. 289
developing countries, national development banks and Basel II 198, 201
Dimand, Robert W. 33–44
Dingle, J. 106, 113
Dixit, A. 228
Domar, E. 81
Dow, S. 175
Dowd, K. 170
Ederer, S. 94, 264
Eğilmez, M. 309
Eichengreen, B. 41, 309
Eijffinger, S. 66
Credit, money and macroeconomic policy

Eisner, R. 80, 81, 84
Ekzen, N. 300
employment see unemployment
equilibrium
  shifting equilibrium theory, and US
    Federal Reserve 221–2, 226, 231–3
  supply-side, influences on 271–4
  and Walrasian general 219–23
EU
  Basel II and coexistence with US 165–6
  Basel II supervisory review, cross-
    border implementation 160–62
  Basel II supervisory review, cross-
    border implementation, and
    institutional fragmentation 161–3
  Capital Adequacy Directive (CAD)
    152–3
  Capital Requirements Directive
    (CRD) 160–61, 165
  central bank autonomy, limited
    22–3
  Cohesion Fund 67
  collateralised debt obligations
    (CDOs) 21–3
derivatives 21
  environmental policy integration
    (EPI) 67
equity statistics 186, 188–9
eurozone inflation 305
  macroeconomic policy mix case
    studies 242–4
  mortgage backed securities (MBS)
    21–2
  neomercantilist policies 29
  and new finance, phoney nature of
    20–23
  Second Banking Coordination
    Directive (1989) 152
  Second Banking Directive 52
  SME funding 165
  Stability and Growth Pact 224,
    243
  stagnation, attempts to avoid 20–21, 28
  structural packages 66–7

Turkish membership and central
  bank independence 293
  venture capital investments 165
European Central Bank (ECB)
  causality tests for demand and
    inflation 89
  and consumer price indices
    1999–2006 (US and EU) 218
  and GDP 1999–2006 (US and EU)
    219
  and income distribution 225
  inflation targeting and price index
    stabilization 214–18
  interest rates 1999–2006 217
  international monetary regimes and
    effects of inflation 225–6
  and labour productivity index
    1993–2006 225
  liquidity injections 21, 22–3, 27, 34,
    40, 49
  monetary policies in practice 216–18
  monetary policy dogmatism,
    pernicious effects of 218–27
  and shifting equilibrium theory
    221–2, 226, 231–3
Evans, W. 228
exchange rates
  fixed, and disinflation, France 93–4
  and macroeconomic policies,
    rethinking 280–81
  open economy and external demand,
    fiscal policy in macroeconomic
    policy mix 259–60
Fadini, U. 330
Farmer, R. 228
Favero, C. 309
Fayolle, J. 217–18
Fazzari, S. 137
Ferguson, T. 15
Ferri, P. 24
Fettig, K. 109
financial innovation
  costs and benefits of 52–3
  encouragement of 154
  investment and venture capital, US
    330
fiscal policy
  and aggregate demand accuracy
    275–80
Kreditanstalt für Wiederaufbau (KfW) and Basel II 196, 197, 198–200, 201–2, 203, 205–6
long-term credit and Basel II 199–200
macroeconomic performance 2001–2005 245
macroeconomic policy mix, effects of 242–55
mercantilist policy strategy 260
monetary policy, interest rates and GDP 255–7, 258
open economy, exchange rate and external demand 259
public regional banks (Landesbanken) 20–21
SMEs, risk and Basel II 198–9
wage policy and inflation 254–61
Gertler, M. 34, 175, 264
Ghosh, A. 295–6
Gill, S. 289
Giorno, C. 263
Giovannoni, O. 71, 72, 77, 78, 80, 85, 88, 89, 90, 92, 94
global banking, Basel II as new regulatory framework for 145–73
advanced approach (A-IRB) 150, 159, 164
asset growth, problems with and Basel I 146–8
and Basel I 146–9
and credit rating agencies 149, 150–51
credit risk and Basel I 147–8
credit risk calculation (Pillar I) 149–51
disclosure requirements (Pillar III) 164
and EU/US coexistence 165–6
financial innovation, encouragement of 154
financial instability and systemic risk 167–70
foundation approach 149
home–host issues 158–63
implementation and application issues 165–7
internal ratings-based (IRB) approaches 149–50
International Organization of Securities Commissions (IOSCO) 152
and lender-of-last-resort mechanisms 169–70
market discipline (Pillar III) 163–4
market risk inclusion (Pillar I) 151–5
market risk inclusion (Pillar I), capital requirements amendment 153–4, 194
operational risk preparation (Pillar I) 155–8
operational risk preparation (Pillar I), advanced measurement approach (AMA) 156–8, 159, 164
operational risk preparation (Pillar I), cross-border implementation 157–8
Pillar I 149–59, 164, 194
Pillar II 158–63, 194–5
Pillar III 163–4, 194, 195, 196
prompt corrective action (PCA) and undercapitalized banks 166–7, 169
Quantitative Impact Study (QIS-4) (2004) 167
and risk management 148–9
risks outside domain of (Pillar I) 159
and securitization 19, 21, 53–4, 152–3, 168–9
securitization and commercial loans and Basel I 147–8
small and medium-sized banks and standardized approach 149, 150
supervised self-regulation 167, 169
supervisory review (Pillar II) 158–63
supervisory review (Pillar II), Action Implementation Group (AIG) 160
supervisory review (Pillar II), cross-border implementation 159–63
universal banks and market risk 151–5, 194
value-at-risk (VaR) measurement (Pillar I) 153–5
see also Basel II
Gnos, Claude 1–10
Godley, W. 117
Goodhart, C. 102–3
Goodlet, C. 104
Graziani, A. 2, 100
Great Depression, lessons from 33–44
Greenspan, A. 20, 37, 147, 213, 227, 228
Griffith-Jones, S. 203, 204
Griliches, Z. 180
Gruenewald, A. 293, 303
Guo, W. 228
Guttmann, Robert 45–55, 145–73
Halevi, Joseph 13–32
Hancock, D. 170
Hart, A. 37
Hartmann, P. 100
Harvey, D. 316
Hausman, J. 180, 181, 188, 189, 190
Hayek-Ricardo-Marxian French (HRMF) way, and profit sharing, France 93–4
hedge funds
bank ownership of 19
and collateralized debt obligations (CDOs) 49
Long Term Capital Management rescue 103–4
and long-term credit 199–200
quant fund 21
and risk 15, 16–17, 21
Hein, Eckhard 235–67
Heine, M. 243, 263, 291
Hemming, R. 62, 263, 264
Henckel, T. 102
Henry, D. 55, 228
Herr, H. 291
Hinich, M. 228
Holton, G. 170
Honda, Y. 183
Horn, G. 246
Howard, D. 105, 106, 108, 110, 113
Howard, M. 112
Hsiao, C. 180
income distribution
real wealth generation out of money creation 72–84
and inflation, links between 225, 277–8, 283
wealth distribution, and deflation 38
inflation
constant inflation level of output (CILO) and price and wage interaction 270, 273–4, 282, 283
deflation and interest rates 35–6, 37–8
and demand, links between 282–3
disinflation and fixed exchange rate strategy, France 93–4
and distribution of income model, i, post-Keynesian interest rate rules and macroeconomic performance 122–3
dollar devaluation and wage deflation, US 29–30
EU 305
and income distribution, links between 225, 277–8, 283
international monetary regimes and effects of inflation, US Federal Reserve 225–6
minimum unemployment rate of inflation (MURI) 62
and monetary theory of unemployment and inflation see monetary theory of unemployment and inflation stagnation see stagnation
target levels, and macroeconomic policies, rethinking 268–9
targeting and post-Keynesian interest rate rules 118–22
targeting and price index stabilization, US Federal Reserve 214–18
and unemployment 223–5, 234, 306
see also individual countries
inflation targeting drawbacks 213–34, 305–6
consumer price indices 1999–2006 (US and EU) 218
economic shocks and gradual monetary policy response 216
and GDP 1999–2006 (US and EU) 219
and income distribution 225
Credit, money and macroeconomic policy

interest rates 1999–2006 (Fed and ECB) 217
and international monetary regimes 225–6
and labour productivity index 1993–2006 (EU and US) 225
and liquidity preference concept 220–23
macroeconomic adjustment and uncertainty 220–23
market efficiency and effectiveness of uncertainty 220
monetary policies in practice 216–18
monetary policy dogmatism, pernicious effects of 218–27
and natural anchor, absence of 223–7
price index stabilization 214–18
and shifting equilibrium theory 221–2, 226, 231–3
and unemployment 223–5, 234
and Walrasian general equilibrium 219–23
innovation see financial innovation
insurance and collateralized debt obligations (CDOs) 49
and risk management, Basel II 202
intellectual property rights (IPR), and cognitive capitalism 315, 316, 320, 321, 322, 323, 328
interest rates 1999–2006 (EU and US) 217
and aggregate demand accuracy 277, 278–80
and fiscal policy in macroeconomic policy mix 238–9, 255–7, 258
and inflation targeting, post-Keynesian 118–22
in interbank money markets, and Canada 106–9
and Minsky’s cyclical theory of capitalism 23–6
monetary policy and GDP 244, 247–57, 258
and open market policy, Turkey 300, 301, 303
see also individual countries

International Monetary Fund (IMF)
early warning system 170
and reserve building programs 299–300
International Organization of Securities Commissions (IOSCO) 152
investment decisions, path-dependency of 271, 273
stimulation and aggregate demand accuracy 278
venture capital 165, 330
Italian ‘Workerist’ approach, and cognitive capitalism 330
Itoh, M. 291
Jackson, P. 170
Jacoby, W. 249
Japan
Basel I (1988) and asset growth, mixed 146
equity investment funds 18
and fiscal policy shift 63–4
liquidity preference influence 63–4
recession and new consensus approach (NCA) 63–4
stagnation, attempts to avoid 14–15, 28
Jayamaha, R. 171
Jordà, O. 102
Jordan, A. 67
Jorion, P. 170
Juselius, K. 72
Kalecki, M. 25, 26, 87, 124–5, 275–8
Kamin, S. 170
Kansas City rule 118–19, 122, 126, 127–8, 132–3, 134–5
Karagiannis, Stelios 174–90
Kashyap, A. 175
Keynes, J.M. 20, 34, 35, 37, 38, 40–41, 94
capitalism and risk 14
Keynesian revival 3–5
Keynesian revival, and new consensus approach (NCA) 60–64
Keynesian revival, and stagflation and credit cycle 25–6
Keynesianism, demise of mainstream 88
Keynesianism, and inflation targeting see inflation targeting drawbacks
liquidity preference theory 220–23
Credit, money and macroeconomic policy

Lucchetti, A. 46
Lundequist, P. 67
Maas, C. 171
McCallum, B. 60, 101, 262
McCombie, J. 137

Macroeconomic policies, rethinking 268–88
Central bank and key policy interest rate 269–70
Constant inflation level of output (CILO) and price and wage interaction 270, 273–4, 282, 283
And deficit sustainability 276
Demand and inflation, links between 282–3
Economic activity level and aggregate demand 269
And exchange rates 280–81
Exchange rates and inflation, influence of 281
Fiscal policy and aggregate demand accuracy 275–80
Fiscal policy and aggregate demand accuracy, long-term approach 275–6
Fiscal Policy Committee (FPC) suggestion 277
Foreign sector influences 270–71
And full employment and capacity 284–5
Income distribution and aggregate demand policy 277–8
Income distribution and inflation, links between 277–8, 283
Inflation, multi-causal reasons for 270–74, 278–85
And inflation target levels 268–9
Interest rate policy and aggregate demand accuracy 277, 278–80
Investment decisions, path-dependency of 271, 273
Investment stimulation and aggregate demand accuracy 278
Kaleckian analysis of aggregate demand 271, 275–8
Monetary policy and cost inflation, link between 283
Supply-side equilibrium, influences on 271–4
Taxation and aggregate demand accuracy, and taxation 277
Theoretical framework 269–74
Wage-setting and inflation, links between 270, 273–4, 282
Wages and supply-side equilibrium, influences on 271–4
See also Fiscal policy in macroeconomic policy mix
Magdoff, H. 13, 15
Magnus, G. 23–4
Malerba, F. 330
Mankiw, N. 217, 227
Marazzi, C. 331
Market discipline, Pillar III, Basel II 163–4, 194, 195, 196
Risk inclusion, Pillar I, Basel II 151–5, 194
Marx, K. 330
Matthews, P. 65
Mencinger, J. 290
Merger and acquisitions, and leveraged buyout operations (LBOs) 18–19
Meyer, L. 60, 101, 262
Minsky, H. 23–7, 34, 37, 42, 55, 171, 199
Mishel, L. 84–5, 90
Mishkin, F. 37, 112, 139, 227
Modigliani, F. 63
Monetary policy
dogmatism, pernicious effects of 218–27
Interest rates and GDP 244, 247–57, 258
Monetary policy without reserve requirements 98–115
Central bank and base money as endogenous means of final payment 105–9
And central bank control over monetary base 102–3
Central bank money, preference for 99–100
And Chartalist school 98–9
Debt, settlement and clearing, distinction between 100
Index

endogenous money and payment finality 101–5
and interest rates in interbank money markets 106–8
large value transfer system (LVTS), adoption of (Canada) 106–8, 110
and new consensus view 101–2
payment finality overview 104–5
reserve requirements, phasing out of 102–3, 106
Sale and Repurchase Agreements (SRAs) (Canada) 108–9, 110
Special Purchase and Resale Agreements (SPRAs) (Canada) 108–9, 110
taxation and interest rates 99
monetary theory of unemployment and inflation 71–97
bank convertibility requirements 75
banking system, perceived constraints 74–6
causality tests for demand and inflation 89–90
employment and inflation, false trade-off between 88–94
foreign constraint considerations 81–4
full employment and role of unions 91–2
full employment and scarcity factor 92
Hayek–Ricardo–Marxian French (HRMF) way, and profit sharing 93–4
household constraint 78, 80
liquidity constraint as false constraint 74–5
liquidity constraint and foreign constraint 81–4
and monetary circuit theory 71–2
money access by spending agents, inequality of 76–9
money creation core process 73–4
money creation in simple economy 73–6
net wealth or profit as constraint 75–6
private sector constraint 76–8, 80
profit amount and share, distinction between 87
profit constraint and credit rationing 76
profit constraint and interest rate 76
real wealth generation out of money creation, dynamic process 72–84
and stagflation of 1970s 92–3
state deficit and public debt, anchor role of 79–81
state, non-constraint of 78–9
state responsibility for stable economy 94–5
twin deficit theorem and foreign constraint 81–4
unemployment definition 84–6
unemployment, and employment function 86–8
unemployment and inflation, false trade-off between 84–94
unemployment and NAIRU debate 88, 89
wage-led inflation 91–2
monetary to fiscal policy rule 59–70
fiscal policy proposal 64–6
fiscal policy, relevance of 62–4
functional finance principle 65
and Japanese recession 63–4
and liquidity trap 63–4
and minimum unemployment rate of inflation (MURI) 62
moving-average formula 65
new consensus approach (NCA) 59
new consensus approach (NCA), ‘activist’ and ‘parking’ approaches 60–61
new consensus approach (NCA), post-Keynesian response to 60–64
political economy framework and nominal interest rate 61
structural packages in EU 66–7
Taylor policy rule 22, 59, 65–6, 101, 182, 255
Monteiro Filha, D. 206
Moore, B. 61, 116, 120
Moreno, R. 170
Morgan, D. 175
Credit, money and macroeconomic policy

Morgenson, G. 33, 41
Mosler, W. 98
Motolesi, M. 28
Mouakil, T. 71
Mouhoud, E. 315, 330
Moulier-Boutang, Y. 313, 330
Moutot, P. 54
multilateral development banks, funding 205
Naastepad, C. 257, 264
national development banks and Basel II see Basel II, national development banks, implications of
Negri, A. 318, 330
Nell, E. 59, 65
Nelson, R. 314, 315
Netherlands, economic policy and wages 264
new consensus approach (NCA) 59, 60–64, 101–2, 116
new consensus model (NCM), and fiscal policy 237–42
new finance, phoney nature of 17–23
Ng, S. 46
Nijkamp, P. 273
Norris, F. 50
O’Donnell, S. 39, 41
Okina, K. 64
Onaran, Ö. 293, 300, 303
Öniş, Z. 293
operational risk preparation (Pillar I), Basel II 155–8, 159, 164
Orlik, L. 302
Orsenigo, L. 330
Özatay, F. 295, 299, 300, 308, 309
Öztürk, K. 309
Pakes, A. 180
Palacio-Vera, A. 61, 116, 118, 237, 239, 263
Palley, T. 60, 61, 62, 98, 108, 116, 118, 126, 228, 239
Panagopoulos, Yannis 174–90
Panzieri, R. 330
Parguez, Alain 2, 71–97, 331
Parker, R. 88
Pasinetti, L. 61, 118–19, 122, 126, 129–32, 134–5, 239, 279
Peek, J. 170
Phillips, S. 296
Pitelis, C. 289, 303, 307, 310
Plihon, D. 54, 171
Pollin, R. 175, 269
Ponzi operations 25, 199–200
Poot, J. 273
Porter, M. 67
Posen, A. 296
Power, D. 67
Prado, L. 206
Preston, B. 228
price
constant inflation level of output (CILO) 270, 273–4, 282, 283
index stabilization 214–18
prudential regulation, Basel II 206–8
Rafferty, M. 13
Ramey, G. 228
Reberiouz, A. 318, 330, 331
Reinhart, C. 302, 303
Resti, A. 197
Riboud, J. 108
Richardson, G. 112
risk
credit 147–8, 149–51, 194, 204
and derivatives 13–14, 20, 21, 153
financial instability and systemic risk 167–70
and hedge funds 16–17, 21
management, Basel II 148–9, 201–4, 206–8
market risk inclusion (Pillar I), Basel II 151–5, 194
mitigation measures, Basel II 203–4
outside domain of Basel II 159
risk-intense operations, Basel II 197–8
and SMEs 198–9
universal banks and market risk 151–5, 194
value-at-risk (VaR) measurement, Pillar I, Basel II 53–5
Rochon, Louis-Philippe 1–10, 60, 61, 98–141, 175, 183, 213, 239, 297, 305, 306
<table>
<thead>
<tr>
<th>Name</th>
<th>Page(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rodrigues, M.</td>
<td>316</td>
</tr>
<tr>
<td>Rodríguez-Pose, A.</td>
<td>67</td>
</tr>
<tr>
<td>Roger, S.</td>
<td>284</td>
</tr>
<tr>
<td>Rogers, C.</td>
<td>120</td>
</tr>
<tr>
<td>Rogers, N.</td>
<td>15</td>
</tr>
<tr>
<td>Romer, P.</td>
<td>314</td>
</tr>
<tr>
<td>Rosenberg, N.</td>
<td>327</td>
</tr>
<tr>
<td>Rosengreen, E.</td>
<td>170</td>
</tr>
<tr>
<td>Rossi, Sergio</td>
<td>98–115, 175, 297, 305, 306</td>
</tr>
<tr>
<td>Rowthorn, R.</td>
<td>237</td>
</tr>
<tr>
<td>Rullani, E.</td>
<td>314, 316</td>
</tr>
<tr>
<td>Russia, international bond defaults</td>
<td>103, 150</td>
</tr>
<tr>
<td>Samuelson, P.</td>
<td>64</td>
</tr>
<tr>
<td>Saraceno, F.</td>
<td>287</td>
</tr>
<tr>
<td>Sardoni, C.</td>
<td>227</td>
</tr>
<tr>
<td>Sargent, T.</td>
<td>228, 309</td>
</tr>
<tr>
<td>Schumpeter, J.</td>
<td>38</td>
</tr>
<tr>
<td>Seccareccia, M.</td>
<td>2, 117, 239, 279</td>
</tr>
<tr>
<td>securitization</td>
<td></td>
</tr>
<tr>
<td>asset-backed securities</td>
<td>19–20, 49, 51, 201–2</td>
</tr>
<tr>
<td>and banking regulatory framework</td>
<td>53–4</td>
</tr>
<tr>
<td>Basel I and commercial loans</td>
<td>147–8</td>
</tr>
<tr>
<td>and Basel II agreements</td>
<td>19, 21, 53–4, 152–3, 168–9</td>
</tr>
<tr>
<td>chain breakdown</td>
<td>48–9</td>
</tr>
<tr>
<td>collapse</td>
<td>45–55</td>
</tr>
<tr>
<td>collateralized debt obligations (CDOs)</td>
<td>20, 21–2, 48–9</td>
</tr>
<tr>
<td>and finance-led capitalism, future of</td>
<td>52–4</td>
</tr>
<tr>
<td>and financial crises</td>
<td>168–9</td>
</tr>
<tr>
<td>financial innovation, costs and benefits of</td>
<td>52–3</td>
</tr>
<tr>
<td>and global growth dynamic and credit crunch</td>
<td>50–52</td>
</tr>
<tr>
<td>mortgage backed securities (MBS)</td>
<td>22, 30, 46–7, 48, 51</td>
</tr>
<tr>
<td>and recapitalization of banks</td>
<td>51–2</td>
</tr>
<tr>
<td>structured investment vehicles (SIVs), losses at</td>
<td>51</td>
</tr>
<tr>
<td>and US housing boom collapse</td>
<td>45–7, 50</td>
</tr>
<tr>
<td>and US trade deficit</td>
<td>50–51</td>
</tr>
<tr>
<td>securitization and commercial loans and Basel I</td>
<td>147–8</td>
</tr>
<tr>
<td>Seidman, L.</td>
<td>65</td>
</tr>
<tr>
<td>Şener, Ulaş</td>
<td>289–313</td>
</tr>
<tr>
<td>Setterfield, Mark</td>
<td>60, 61, 116–41, 237, 239, 262</td>
</tr>
<tr>
<td>Shapiro, N.</td>
<td>175, 272</td>
</tr>
<tr>
<td>shareholder sovereignty theory</td>
<td>318</td>
</tr>
<tr>
<td>Sheridan, N.</td>
<td>284, 305</td>
</tr>
<tr>
<td>Shibut, L.</td>
<td>171</td>
</tr>
<tr>
<td>Shiratsuka, S.</td>
<td>64</td>
</tr>
<tr>
<td>Sironi, A.</td>
<td>197</td>
</tr>
<tr>
<td>SMEs</td>
<td></td>
</tr>
<tr>
<td>funding, EU</td>
<td>165</td>
</tr>
<tr>
<td>and risk, Basel II</td>
<td>198–9</td>
</tr>
<tr>
<td>Smithin, J.</td>
<td>61, 117, 118–19, 122, 126, 129–32, 133, 134–5, 239</td>
</tr>
<tr>
<td>Snowdon, B.</td>
<td>262</td>
</tr>
<tr>
<td>Sobreira, Rogério</td>
<td>174–210</td>
</tr>
<tr>
<td>Solow, R.</td>
<td>62–3, 64</td>
</tr>
<tr>
<td>Soroske, D.</td>
<td>262</td>
</tr>
<tr>
<td>Spiliotis, Aristotelis D.</td>
<td>174–90</td>
</tr>
<tr>
<td>stagnation</td>
<td></td>
</tr>
<tr>
<td>attempts to avoid</td>
<td>14–15, 19–21, 28</td>
</tr>
<tr>
<td>stagflation and credit cycle, and post-Keynesian revival</td>
<td>25–6</td>
</tr>
<tr>
<td>see also inflation</td>
<td></td>
</tr>
<tr>
<td>Stein, J.</td>
<td>175</td>
</tr>
<tr>
<td>Stiglitz, J.</td>
<td>273</td>
</tr>
<tr>
<td>Stockhammer, E.</td>
<td>85, 94, 237–8, 239, 241, 257, 263</td>
</tr>
<tr>
<td>Stone, M.</td>
<td>284</td>
</tr>
<tr>
<td>Storm, S.</td>
<td>257, 264</td>
</tr>
<tr>
<td>subprime crisis</td>
<td>13–32</td>
</tr>
<tr>
<td>emergence outline</td>
<td>13–17</td>
</tr>
<tr>
<td>leveraged buyout operations (LBOs)</td>
<td>17–19</td>
</tr>
<tr>
<td>Minsky’s cyclical theory of capitalism</td>
<td>23–7</td>
</tr>
<tr>
<td>and new capitalism</td>
<td>27–32</td>
</tr>
<tr>
<td>new finance, phoney nature of</td>
<td>17–23</td>
</tr>
<tr>
<td>production and valorization processes, restructuring of</td>
<td>27</td>
</tr>
<tr>
<td>and securitization</td>
<td>see securitization</td>
</tr>
<tr>
<td>speculative credit bubble</td>
<td>14</td>
</tr>
<tr>
<td>Summers, L.</td>
<td>237</td>
</tr>
<tr>
<td>supervised self-regulation, Basel II</td>
<td>167, 169</td>
</tr>
</tbody>
</table>
supervisory review, Pillar II, Basel II 158–63
Svensson, L. 63

Sweden
Basel I (1988) and asset growth, mixed 147
budget balance 1996–2005 246
euro area non-participation 243
fiscal policy 249–55
functional mercantilist policy regime 261–2
GDP growth 244, 248–57, 258
macroeconomic performance 2001–2005 245
macroeconomic policy mix, effects of 243–55
monetary policy, interest rates and GDP 255–7, 258
open economy, exchange rate and external demand 260
wage policy and inflation 254–9

Sweezy, P. 13, 15

Switzerland, state-injected liquidity 34

Sylvain, A. 228

Taistra, G. 197
taxation
and aggregate demand accuracy 277
and interest rates 99
Taylor, J. 22, 59, 65–6, 101, 182, 255
Tett, G. 51

Thirlwall, A. 137

Tobin, J. 34, 37, 38, 228
Tautwein, H. 243, 263

Tronti, M. 330

Truger, Achim 235–67

Turkey
Banking Sector Restructuring Program 295
central bank independence 291–3
central bank independence, review of 295–7
central bank law, new 293–5
central bank policy mix 297–306
EU membership and central bank independence 293
exchange rate policy 294, 301
exchange rate regime 302–3
financial rescue program 295

inflation and output gap 300–302
inflation rates 294, 296, 299
inflation targeting 304–6
inflationary pressure and debt accumulation 299
institutionalization of financial liberalization 297
interest rate levels and open market policy 300, 301, 303
international reserve building 299–300
monetary aggregates 298–9
Monetary Policy Committee (MPC) 294, 296, 304
monetary policy framework 292–7
post-crisis monetary policy 289–313
price stability focus 294, 296, 303
privatization of public banks 295
public finance ban through central bank 295–6
public and private debt levels 300
Savings Deposit Insurance Fund (SDIF) 295
Stability Program (1999) 299
Stand-By Agreement 2002, and IMF 297–8
unemployment and inflation 306
wage increase limitation 305

UK
Bank of England moral hazard approach 23
budget balance 1996–2005 246
credit crunch 40
euro area non-participation 243
fiscal policy 249–50, 253
full employment, rejection of 93
GDP growth 244, 248–57, 258
liquidity injections 34, 39–40
macroeconomic performance 2001–2005 245
macroeconomic policy mix, effects of 243–55
macroeconomic policy regime 261
monetary policy, interest rates and GDP 255–7, 258
Northern Rock 23, 34, 39–40
open economy, exchange rate and external demand 260
Index

wage policy and inflation 254–9
see also King, M.
unemployment
full employment and capacity, and macroeconomic policies, rethinking 284–5
full employment, rejection of 93
full employment and role of unions 91–2
and inflation 223–5, 234, 306
minimum unemployment rate of inflation (MURI) 62
and monetary theory of unemployment and inflation see monetary theory of unemployment and inflation
non accelerating inflation rate of unemployment (NAIRU), and fiscal policy 88, 89, 235, 237–41
social therapy of, France 85, 88
US 84–5, 88–9
see also individual countries
universal banks and market risk 151–5, 194
US
bankruptcies, absorption of 16, 22
Basel I (1988) and asset growth, mixed 146–7
Basel II and capital-adequacy agreement and risk assessment 166–7
Basel II and coexistence with EU 165–6
budget and trade deficits 83–4
central bank autonomy, limited 22–3
collateralised debt obligations (CDOs) 22–3
commercial banks (list) 187
dollar devaluation and wage deflation 29–30
equity investment 18, 166, 186, 189–90
Federal Bank of New York, Fourteen Families initiative 157
Federal Deposit Insurance Corporation Improvement Act (FDICIA) (1991) 166
Federal Financial Institutions Examination Council (FFIEC) 166, 167
Financial Services Modernization Act 52
Glass–Owen Bill 37
global financial crises, effects of 28–9
Gramm–Bliley–Leach (Financial Services Modernization) Act (1999) 152
indebtedness and financialization 15–16, 19–20, 29–30
innovation investment and venture capital 330
interest rates 22, 47, 48, 217
labour productivity index 1993–2006 225
Long Term Capital Management rescue 103–4
Minsky moment 23–6
mortgage crisis 16–17, 22, 30–31, 45–7, 48, 50, 51, 167
neomercantilist policies 29
new capitalism 27–32
pension system transformation 18
piggy-back loans 46, 50
Plaza Accords 28
prompt corrective action (PCA) and undercapitalized banks 166–7, 169
public wealth and debt effects 80, 81
stagnation, attempts to avoid 14–15, 19–20
state-injected liquidity 16, 22–3, 27, 33–4, 37, 40, 49
trade deficits 50–51
underemployment and unemployment rate 84–5, 88–9
Uniform Net Capital Rule (UNCR) 152
Vietnam War, effects of 15
see also Greenspan, A.
and GDP 1999–2006 (US and EU) 219
and income distribution 225
inflation targeting and price index stabilization 214–18
interest rates 1999–2006 217
international monetary regimes and effects of inflation 225–6
and labour productivity index 1993–2006 225
monetary policies in practice 216–18
monetary policy dogmatism, pernicious effects of 218–27
sale of Treasury bills (1979) 103
and shifting equilibrium theory 221–2, 226, 231–3
Van den Heuvel, S. 175
Vane, H. 262
venture capital investments 165, 330
Venturini, F. 315
Vercellone, C. 313, 314, 330
Virno, P. 330
Vogel, L. 257
wages
constant inflation level of output (CILO) and price and wage interaction 270, 273–4, 282, 283
and NAIRU, fiscal policy in macroeconomic policy mix 240–41
and supply-side equilibrium, influences on 271–4
Wallace, N. 309
Walrasian general equilibrium, and inflation targeting drawbacks 219–23
Walsh, C. 262, 296, 308
Watanabe, W. 64
Watson, M. 291, 296, 297, 307
wealth distribution see income distribution
Wessel, D. 157
Wilcox, J. 170
Winter, S. 315
Wolfson, M. 171
Woodford, M. 182
World Bank
and reserve building programs 299–300
see also Basel II
Wray, R. 60, 61, 98, 99, 117, 119, 227
Wren-Lewis, S. 277
WTO, Agreement on Financial Services (1997) 152
Wu, H. 228
Yalman, G. 303, 308
Yeldan, E. 284, 300, 304, 306, 307, 309, 310
Yiğit, S. 309
Zachariadis, M. 330
Zanini, A. 330
Zendron, Patricia 174–210
Zhou, A. 269
Zicchino, L. 175