## Index

Aaronson, Daniel 186  
adaptive management 47  
adolescent mentality, and regulation 85–6  
Adrian, Tobias 176  
Agius, Marcus 29  
Ahmed, Shaghil 174  
Ahmed, Z. 161  
AIG (American International Group) 78, 80, 195, 247, 269  
Alchian, Armen A. 207, 219  
Algaoud, L.M. 173, 174  
alienation 155  
Allen, Franklin 174  
Arestis, Philip 152, 155, 156, 157  
Arrighi, G. 57  
AS–AD (aggregate supply and aggregate demand) 4–5, 128  
Ash, Michael 153  
asset inflation  
and economic inequality 231–3  
and excess debt 227–31  
asset prices, affecting consumption 149  
Atkinson, Glen 237  
Australia  
Great Depression 115  
stimulus package 135, 153  
Austrian school 109–10  
2008 ‘great recession’ 101–5  
explanation of Great Depression 17  
modern macroeconomics 96–101  
way forward 105–9  
Baker, Dean 185, 244, 246, 251  
bank bailouts 151–2; see also HBOS rescue  
bank lending to the private sector, as vital to the health of an economy 27  
Bank of America 171  
banking, Islamic economics 174, 176–7  
banking stabilization, without economy stabilization 233  
Barnes, P. 49  
Bartlett, William W. 89  
Bear Stearns 184, 244  
Beddoe, R. 50  
behavioural finance school 223  
benevolence, Islamic economics 164  
Bergsman, Steve 19  
Berle, A.A. 208  
Bernanke, Ben 29, 135, 175, 221, 250, 261, 266, 273  
celebration of the Great Moderation 131, 150, 264  
‘The credit channel of monetary policy transmission’ (with Gertler) 27, 34–5, 36  
‘Credit, money and aggregate demand’ (with Blinder) 26–7  
creditism 31, 34  
published example of standard model 5–6  
Bernstein, Jared 255  
Bhaduri, Amit 270  
Bhatti, M. Ishaq 160, 163  
big government 271–4  
Birmingham Joint Stock Bank 215  
Black, William K. 185, 187, 193  
Blaine, Charley 249  
Blinder, Alan 36  
‘Credit, money and aggregate demand’ 26–7  
Bradford and Bingley 62  
Brazelton, W. Robert 239  
Broda, Christian 250  
Brown, Gordon 27–9, 153  
rescuing the world 29, 35  
Buchanan, J.M. 219  
budget deficits, Islamic economics 179  
Buffett, Warren E. 249  
building societies 215
Index

bureaucracy, and regulation 83–4
Bush Administration, extension of lending to low-income families 19
Bush, George W. 194
business cycle, Austrian school 99–100

Callahan, Gene 110
Campbell, Iain 157
capital, Austrian school 98–9
capital market inflation 226, 227–31
capture, and regulation 84–5
carbon trading 63
Carew, Edna 115
Carlson, M. 133
Carney, John 90, 91
cash reserves 32
Cassidy, John 192, 260
CDOs (collateralized debt obligations) 167–8
CEOs, incentive divergence 77–9
Chamberlain, Neville 114–15
Chancellor, Edward 260
Chang, Ha-Joon 185
Chapra, M. Umer 159, 176, 178
charity, Islamic economics 164
Chase, Richard X. 238
Cheney, Dick 276
Cherniko, Helen 247
Chick, V. 222
Citigroup 195
Clarke, Peter 115
classical theory, recession 114
Clinton Administration, directing lending to low-income families 18–19
Coase, Ronald 207, 211, 212
Cobb, C. 44
Cobb, J. 44
Coddington, A.C. 222
Commodity Futures Modernization Act (2000) 194
commodity futures trading 63
commodity price stabilization 155
Commons, John R. 235, 237, 238
Institutional Economics 238
commons sector, government role 46
Congdon, Tim 36
c consumer sovereignty theorem 66, 95
contractual integrity, Islamic economics 164
contributions to this volume 9–10
Corrigan, E. Gerald 133
corruption, Islamic economics 165
Costanza, R. 42, 43, 47
Countrywide 244
Coval, Joshua 90
credit, distinction from money 32
‘credit channel of monetary policy transmission, The’ (Bernanke and Gertler, 1995) 27, 34–5, 36
credit default swap 95
credit derivative swaps, outlawing of 153
‘Credit, money and aggregate demand’ (Bernanke and Blinder) 26–7
creditism 31, 34
Crotty, James 151, 157, 196, 238, 254
cuckoo economics 147
cunning salespersons 69, 95
current crisis/global financial crisis (GFC) 184–7, 201–2
Austrian school explanation 101–5
Islamic economics explanation 166–78
J.E. King explanation 147–51
long-term perspective on 10–11
Marxist explanation 57–61
neutralization of the gatekeepers 196–201
new institutional economics explanation 215–16
effect of state regulation on enterprise governance 217–18
ordinary economics explanation 18–21
perspective in this book 11–13
post-Keynesian institutionalism explanation 243–9
financial instability 243–5
institutional features 245–9
theoretical issues, assets considered as markets 187–9
Currie, Martin 187
Daly, Herman 44, 45
Darling, Alistair 29, 31, 35
Das, Satyajit 171, 172
Davidson, Paul 51, 59, 63, 154
Davies, Lizzy 157
Davis, K.T. 171
De Soto, J.H. 219

debt, record keeping in Islamic economics 164
debt abolition Jubilee, Keen model 135–8
debt deflation process 265
debt-financed consumption 156
debt-financed leisure 156
Debunking Economics (Keen) 127
definancialization 154–5; see also reindustrialization
DeLong, B. 141, 265
democratic governments, policymaking biases 18–21
Demsetz, Harold 207, 219
deposit currency 29, 33
depreciated capital, Marx 55
depression economics 14
Der Hovanesian, Mara 169, 170, 181, 246, 254
Desmond, Maurna 91
differential equation softwares 132
Dillard, Dudley 239, 240
‘do-nothing’ policies 22–3
dos Santos, P. 57, 58
DSGE/SDGE (dynamic stochastic/stochastic dynamic general equilibrium) models 128, 146–7
Dugger, William M. 235, 236
Dullien, Sebastian 147, 156
Dymski, Gary 244, 254
Earnshaw, Aliza 250
Easterlin, R.A. 43
ecological model of development
GPI vs GDP 44–5
overview 40–42, 49–50
policies to achieve real, sustainable development 48–9
principles for sustainable governance 47–8
real economy vs market economy 42–4
ecological sustainability 45–7
economic stimulus, questions over 3
economic theory
challenges for 1–2
degradation from science to opinion 16
history 14–17

Economics (Samuelson and Nordhaus) 6
Economist, The 171, 199, 209
efficient market hypothesis 8, 51, 196–7
El Nasser, Haya 247, 249
employer of last resort 150
Epstein, Gerald 151, 157, 185, 186, 196
equi-marginal condition 210
Equitable Life Assurance Society 215
equities reform, Keen 140
Erturk, İ. 56
Esponda, Ignacio 88
Essays in Biography (Keynes) 146
European Monetary System (EMS), preventing government monetizing its debt via inflation 22
exchange rates, return to fixed rates 154
extravagance, Islamic economics 165
Fannie Mae (Federal National Mortgage Association) 18–19, 75, 103–4, 247
Fazzari, Steven 240, 241
feasible socialism 144
Felipe, Jesus 270
Ferguson, Niall 166
fetishism 155
fictitious capital, Marx 54–5
financial accelerator model 221
financial crisis, affecting the ‘real economy’, Minsky 149–50
financial fragility, Minsky 148
financial instability hypothesis (Minsky) 128, 144, 147–51, 240–42, 261
financial intermediation 72–3
regulation of 81–6
reliance on 71–2
financial markets, as self-stabilizing 191–2
financial reform 277
financial sector
size 51–2
support revenue equivalent of privatizations revenue 63
Financial Services Modernization Act (1999) 194
<table>
<thead>
<tr>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>financialization</td>
</tr>
<tr>
<td>53, 55, 56–8, 60–61, 62, 147, 154, 155, 167, 176, 177, 186</td>
</tr>
<tr>
<td>Islamic economics</td>
</tr>
<tr>
<td>175–6</td>
</tr>
<tr>
<td>first order goods</td>
</tr>
<tr>
<td>97</td>
</tr>
<tr>
<td>fiscal policy, effectiveness</td>
</tr>
<tr>
<td>37–9</td>
</tr>
<tr>
<td>fiscal stimulus, direct cash payments rather than tax relief</td>
</tr>
<tr>
<td>152–3</td>
</tr>
<tr>
<td>Fischer, Stanley</td>
</tr>
<tr>
<td>118–19</td>
</tr>
<tr>
<td>Fisher, Irving</td>
</tr>
<tr>
<td>29, 30, 35, 175, 224, 265</td>
</tr>
<tr>
<td>debt-deflation theory of great depressions</td>
</tr>
<tr>
<td>29–30, 175</td>
</tr>
<tr>
<td>Fitch Ratings</td>
</tr>
<tr>
<td>76</td>
</tr>
<tr>
<td>fixed exchange rates, return to</td>
</tr>
<tr>
<td>154</td>
</tr>
<tr>
<td>fixed return scheme (FRS)</td>
</tr>
<tr>
<td>174</td>
</tr>
<tr>
<td>Foley, Stephen</td>
</tr>
<tr>
<td>245</td>
</tr>
<tr>
<td>Folsom, Burton W., Jr</td>
</tr>
<tr>
<td>116</td>
</tr>
<tr>
<td>Foster, J.B.</td>
</tr>
<tr>
<td>177</td>
</tr>
<tr>
<td>Foster, John Fagg</td>
</tr>
<tr>
<td>238</td>
</tr>
<tr>
<td>Frank, Robert H.</td>
</tr>
<tr>
<td>5, 43, 46</td>
</tr>
<tr>
<td>Frank, Thomas</td>
</tr>
<tr>
<td>192</td>
</tr>
<tr>
<td>fraud, Islamic economics</td>
</tr>
<tr>
<td>165</td>
</tr>
<tr>
<td>Freddie Mac (Federal Home Loan Mining Corporation)</td>
</tr>
<tr>
<td>18–19, 75, 103–4, 247</td>
</tr>
<tr>
<td>free consent, Islamic economics</td>
</tr>
<tr>
<td>163–4</td>
</tr>
<tr>
<td>Freeman, James</td>
</tr>
<tr>
<td>248</td>
</tr>
<tr>
<td>Friedman, Benjamin</td>
</tr>
<tr>
<td>26–7</td>
</tr>
<tr>
<td>Friedman, Benjamin</td>
</tr>
<tr>
<td>26–7</td>
</tr>
<tr>
<td>Friedman, Jeffrey</td>
</tr>
<tr>
<td>19</td>
</tr>
<tr>
<td>Friedman, Milton</td>
</tr>
<tr>
<td>16, 22</td>
</tr>
<tr>
<td>Froud, J.</td>
</tr>
<tr>
<td>177</td>
</tr>
<tr>
<td>FRS (fixed return scheme)</td>
</tr>
<tr>
<td>174</td>
</tr>
<tr>
<td>Fukuyama, F.</td>
</tr>
<tr>
<td>218</td>
</tr>
<tr>
<td>full employment</td>
</tr>
<tr>
<td>277–8</td>
</tr>
<tr>
<td>as macroeconomic goal</td>
</tr>
<tr>
<td>156</td>
</tr>
<tr>
<td>Furubotin, E.</td>
</tr>
<tr>
<td>88</td>
</tr>
<tr>
<td>Fusfeld, Daniel R.</td>
</tr>
<tr>
<td>239</td>
</tr>
<tr>
<td>Galbraith, James K.</td>
</tr>
<tr>
<td>197, 251, 273, 274, 276</td>
</tr>
<tr>
<td>Galbraith, John Kenneth</td>
</tr>
<tr>
<td>16, 96, 222, 231, 239</td>
</tr>
<tr>
<td>Gale, D.</td>
</tr>
<tr>
<td>174</td>
</tr>
<tr>
<td>gambling, Islamic economics</td>
</tr>
<tr>
<td>166</td>
</tr>
<tr>
<td>Garrison, Roger</td>
</tr>
<tr>
<td>100, 110</td>
</tr>
<tr>
<td>Garside, W.R.</td>
</tr>
<tr>
<td>116</td>
</tr>
<tr>
<td>GDP, as a measure of true human well-being</td>
</tr>
<tr>
<td>44–5</td>
</tr>
<tr>
<td>Geithner, Timothy</td>
</tr>
<tr>
<td>261, 266–7</td>
</tr>
<tr>
<td>General Theory of Employment, Interest and Money (Keynes)</td>
</tr>
<tr>
<td>3</td>
</tr>
<tr>
<td>Genuine Progress Indicator (GPI)</td>
</tr>
<tr>
<td>44, 45</td>
</tr>
<tr>
<td>Gertler, Mark</td>
</tr>
<tr>
<td>27, 34, 175, 221</td>
</tr>
<tr>
<td>‘The credit channel of monetary policy transmission’</td>
</tr>
<tr>
<td>27, 34–5, 36</td>
</tr>
<tr>
<td>Gethard, Gregory</td>
</tr>
<tr>
<td>90</td>
</tr>
<tr>
<td>gharar (excessively risky transactions), Islamic economics</td>
</tr>
<tr>
<td>166, 169–70</td>
</tr>
<tr>
<td>Ginnie Mae (Government National Mortgage Association)</td>
</tr>
<tr>
<td>75</td>
</tr>
<tr>
<td>Gjerstad, Steven</td>
</tr>
<tr>
<td>25</td>
</tr>
<tr>
<td>Glass–Steagall Act</td>
</tr>
<tr>
<td>171, 194</td>
</tr>
<tr>
<td>Goldman Sachs</td>
</tr>
<tr>
<td>184</td>
</tr>
<tr>
<td>Goodhart, Charles</td>
</tr>
<tr>
<td>172</td>
</tr>
<tr>
<td>Gorton, Gary</td>
</tr>
<tr>
<td>172</td>
</tr>
<tr>
<td>governance, Islamic economics</td>
</tr>
<tr>
<td>171–3</td>
</tr>
<tr>
<td>governments, required reinvention of role</td>
</tr>
<tr>
<td>46</td>
</tr>
<tr>
<td>GPI (Genuine Progress Indicator)</td>
</tr>
<tr>
<td>44, 45</td>
</tr>
<tr>
<td>Great Depression</td>
</tr>
<tr>
<td>114–16</td>
</tr>
<tr>
<td>Austrian explanation</td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td>debt-deflation theory</td>
</tr>
<tr>
<td>29–30, 175</td>
</tr>
<tr>
<td>Keynesian explanation</td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td>monetarist explanation</td>
</tr>
<tr>
<td>17</td>
</tr>
<tr>
<td>‘shocked disbelief’</td>
</tr>
<tr>
<td>150</td>
</tr>
<tr>
<td>Greenspan Put</td>
</tr>
<tr>
<td>102–3, 132–3</td>
</tr>
<tr>
<td>guaranty</td>
</tr>
<tr>
<td>72</td>
</tr>
<tr>
<td>Gunning, J. Patrick</td>
</tr>
<tr>
<td>66, 83</td>
</tr>
<tr>
<td>Hall, D.</td>
</tr>
<tr>
<td>62</td>
</tr>
<tr>
<td>Hall, Joshua C.</td>
</tr>
<tr>
<td>22</td>
</tr>
<tr>
<td>Hansmann, H.B.</td>
</tr>
<tr>
<td>214</td>
</tr>
<tr>
<td>happiness, science of</td>
</tr>
<tr>
<td>42</td>
</tr>
<tr>
<td>Harris, M.</td>
</tr>
<tr>
<td>174</td>
</tr>
<tr>
<td>Hart, O.</td>
</tr>
<tr>
<td>219</td>
</tr>
<tr>
<td>Hassan, M. Kabir</td>
</tr>
<tr>
<td>174, 180</td>
</tr>
<tr>
<td>Hawtrey, Sir Ralph</td>
</tr>
<tr>
<td>175</td>
</tr>
<tr>
<td>Hayek, Friedrich A. von</td>
</tr>
<tr>
<td>24, 67, 101, 110</td>
</tr>
<tr>
<td>HBOS rescue</td>
</tr>
<tr>
<td>62</td>
</tr>
<tr>
<td>health care</td>
</tr>
<tr>
<td>276</td>
</tr>
<tr>
<td>hedge finance, Minsky</td>
</tr>
<tr>
<td>148</td>
</tr>
</tbody>
</table>
hedge funds
  relationship to large banks 80–81
value of assets under management 248
Heilbroner, Robert L. 145
Hein, E. 154
Helleiner, Eric 185, 201
Hellwig, M. 174
Hicks, John R. 129, 129–30, 130, 141, 238
Higgs, Robert 106
higher order goods 97
Hirway, Indira 270
hoarding, Islamic economics 165
Hobsbawn, Eric J. 151
Hobson, John Atkinson 227
Hojnacki, Jared E. 90
HOLC (Home Owners’ Loan Corporation) 268
Holt, Christopher 248
Homo Islamicus 160
Hoover, Herbert 23
Horwitz, Steven 19, 110
houses’ valuation reform, Keen model 140
Howard, Michael C. 143, 144, 154
Huhne, Christopher 247
human action, Austrian school 97
Ibn Khaldun 168
Ibn Sina (Avicenna) 161
Iley, Richard A. 176
imbecile institutions 208
IMF, replacement of 49
incentive divergence 95
Ineichen, Alexander 248
informational frictions 27
An Inquiry into the Poverty of Economics (Wilber and Jameson) 239
Institutional Economics (Commons) 238
institutionalism, see new institutional economics; PKI
insurance, against market events 80
interest (riba), Islamic economics 165–6, 173–6
interest-bearing capital, Marx 54
intertemporal coordination 98
investment banking 171
investment banks 184
invisible hand 8
Iqbal, Zafar 162, 180
Ireland, 1970s’ expansionary fiscal policies 22
Irwin, Gloria 244
IS–LM framework
  as debunked by John Hicks 129–30
  as inherently static 128
ISEW (Index of Sustainable Economic Welfare) 44
Islahi, A.A. 164, 179, 180
Islamic economics
  banking 174, 176–7
  excessively risky transactions (gharar) 166, 169–70
  governance 171–3
  greed 167–9
  interest (riba) 165–6, 173–6
  macroeconomics 174–6
  perspective on the crisis 166–78
It’s a Wonderful Life (movie) 194–5, 277
Jameson, Kenneth P. 235, 239
An Inquiry into the Poverty of Economics 239
Japan
  criticism from foreign economists 31
  Keynesian recovery programme 118–19
  job guarantees 150
  Jones, Oliver 89
  Jones, Sam 90
  JP Morgan Chase 171
  Jubilee debt abolition 135–8
  justice in exchange 162
Kaboub, Fadhel 235
Kaldor, Nicholas 155
Kalecki, Michał 143
Kasser, T. 42
Keller, Robert R. 239
Keynes, John Maynard 3, 15, 26, 106, 113, 121, 121–3, 123, 146, 156, 188, 198, 199, 223, 235, 237, 238
Essays in Biography 146
General Theory of Employment, Interest and Money 112, 123, 238, 239
on Say’s Law 112–13
### Index

- **Keynesian era** 262–4
- **Keynesian model,** see standard model
- **Keynesian theories**
  - aggregate demand 113–14
  - applied in Japan recovery programme 118–19
  - central messages 143–4
  - an economic dead end 124
  - explanation of Great Depression
  - level of demand vs structure of demand 119–21
  - marker in the sand 125
  - neo-Keynesian consensus 15–17
- **Khan, M. Mansoor** 160, 163
- **Khan, W.M.** 174
- **Kindleberger, Charles P.** 222, 225
- *Manias, Panics and Crashes* 225
- **King, John E.** 143, 144, 146, 152, 154, 155
- **King, Mervyn** 36
- **Kirzner, Israel** 98, 110, 219
- **Klein, Naomi**
- **Klein, Peter G.** 88
- **Komisar, Lucy** 253
- **Kopecki, Dawn** 247
- **Koppl, Roger** 110
- **Kregel, Jan** 195, 222, 242
- **Krugman, Paul** 29, 31, 35, 250, 251, 254, 271
- **labor,** Austrian school 101
- **Lachmann, Ludwig** 98
- **Lahart, Justin** 244
- **Lanman, Scott** 247
- **Lapavitsas, C.** 57
- **Lazonick, William** 186
- **Lee, Benjamin** 154, 155
- **Lee, Don** 248
- **Lehman Brothers** 184
- **lending-determines-spending doctrine**
  - 27, 28, 31, 34–5
- **leverage,** Islamic economics 165–6, 173–6
- **Lewis, M.K.** 162, 171, 173, 174, 176, 180, 181
- **Lewisohn, Sam A.** 237
- **life satisfaction** 44
- **Lindholm, C.** 162
- **LiPuma, Edward** 154, 155
- **Lisbon principles** 47–8
- loanable funds, Austrian school 99–100
- loanable money capital, Marx 55
- **Lowenstein, Roger** 185
- **Lubove, Seth** 89
- **Lucas, Robert** 23
- **Luther, William J.** 22
- **MacArthur, John R.** 185
- **Machlup, F.** 212
- **macroeconomics,** Islamic economics 174–6
- **Magnus, George** 245
- **Main, Andrew** 176
- *Manias, Panics and Crashes* (Kindleberger) 225
- **Mankiw, Gregory,** *Principles of Economics* 5
- **Mankiw, N. Gregory** 5
- **market sector** 239
- **Marks, Bruce** 246, 251
- **Martin, R.** 177
- **Marx, Karl/Marxism** 223–4, 226
  - from accumulation to finance 52–3
  - *Capital* 52–3, 59, 144
  - on crises as matters of chance 226
  - from finance to financialization 53–5
  - from financialization to contemporary capitalism 56–7
  - from financialization to neoliberalism 57–61
  - way forward 61–3
- **Maskin, Eric S.** 88
- **Masters, Michael W.** 279
- **Mayer, Christopher** 75
- **maysir** (games of hazard), Islamic economics 166
- **Mazumder, Bhashkar** 186
- **McCulley, Paul** 260
- **McWhinney, James E.** 90
- **Means, G.C.** 208
- **Menger, Carl** 97
- **merchant capital, Marx** 53–4
- **Merrill Lynch** 171, 184
- **Milberg, William** 145
- **Milgrom, Paul** 91
- **Millennium Ecosystem Assessment** 43, 48
- **Mills, Edwin S.** 110
Index

287

Minsky, Hyman P. 129, 130, 139, 143–4, 189–94, 191, 224, 235, 239, 243, 244, 246, 247, 248, 249, 252, 253, 262, 267, 268, 270, 279
financial instability hypothesis 128, 144, 147–51, 240–42, 261
stability as destabilizing 264–5
Stabilizing an Unstable Economy 190
see also money-manager capitalism
Minsky moment 143, 244, 260
Mises, Ludwig von 66, 69, 97, 110
Mitchell, Wesley C. 235, 237, 241, 254
Mitchell, W.F. 270
monetarism, explanation of Great Depression 17
monetary theory of production 239
money-manager capitalism 151, 260–61
money supply, distinction from quantity of money 32
monopolies, Islamic economics 164
Moody’s Investor Service 76
Moore, J. 219
Moosa, Imad 6
Morgan Stanley 184
Morgenson, Gretchen 76, 246
Morgenthau, Henry 115–16
Morris, Charles 81, 89
mortgage securitization 74–5
mortgage-backed securities 95
Muolo, Paul 200
murabaha arrangements 177
mutual societies 215, 217
Myerson, Roger B. 88

neoclassical synthesis model 4
fallacies in 127–31
inadequacies of 221–3
new institutional economics
explanation of the financial crisis 215–16
effect of state regulation on enterprise governance 217–18
governance of financial transactions 213–16
neoclassical straw man 209–11
new institutionalist critique 211–13
overview 207–9
new neoclassical synthesis (NNS), objections to 143–7
Niggle, Chris 235, 243
Nordhaus, William D. 6
North, Douglass C. 243
Northern Rock 62, 167, 188
Nove, Alec 144
novice speculators 68–9, 95
NRSROs (Nationally Recognized Statistical Rating Organizations) 200–201
Nyberg, Lars 172

Obama, Barack 152–3, 250, 271, 274
O’Driscoll, Gerald P. 110
Office of the Comptroller of the Currency 201
Oleson, Theodore, Jr 237
Ollman, Bertell 155
option ARMs (adjustable rate mortgages) 169–70, 245–6
ordinary economics
cooperation with extraordinary times 14, 24–5
explanation of current crisis 18–21
explanation of Great Depression 17–18
way forward 21–4
Orhangazi, Ozgur 186, 196
‘originate and distribute’ model of mortgage lending 194
O’Sullivan, Mary 186
overinvestment theory 107

Padilla, Mathew 200
Palley, Thomas 147, 154–5, 156, 157
Papadimitriou, Dimitri B. 143, 264, 265, 267, 279
Parker, Jonathan 250
Partnoy, Frank 200, 201
Paulson, Hank 29, 266–7
payroll tax reform 274–5
Pejovich, S. 88
Perelstein, J.S. 226
Peterson, Wallace C. 239, 240
Phillips, Kevin 186
Phillips, Matthew 90
Phillips, Ronnie J. 252
Pittman, Mark 254
PKI (post-Keynesian institutionalism)
explanation of global financial crisis
243–9
financial instability 243–5
institutional features 245–9
operation of an economy 235–43
contemporary PKI 242–3
emergence of PKI 238–9
Keynes and the Keynesian
Revolution 237–8
Minsky’s financial instability
hypothesis 128, 144, 147–51,
240–42, 261
scope, focus and point of view 236
Veblen, Mitchell and Commons
236–7
way forward 249–54
recovery 250–51
planning sector 239
PLS (profit-and-loss-sharing) 174, 177
political opportunism, and regulation
85
politicians, impossibility of adequate
knowledge for intervention 20
Pollin, Robert 244, 254
Ponzi finance, Minsky 148
positional arms race 46
post-Keynesian economics, market
process 222
Powell, Benjamin 22
Prasch, Robert E. 187, 193, 194, 197
price bubble, distinction from
sustained price increase 68
price fixing, Islamic economics 164
principal–agent relationships 95
Principles of Economics (Mankiw) 5
‘printing money’, bound to fail 135
property ladder 232
property rights, Islamic economics 163
prudential financial regulation 153
Prugh, T. 46
quantitative easing 31–4, 272
Ramstad, Yngve 236
ratings agencies 75–6, 199–201, 247
Raviv, A. 174
Reagan, Ronald 16
realism 222
recession, classical theory 114
Reed, John S. 133
regime uncertainty 106
regulation
of financial intermediation 81–6
reform of 153–4
role of 6–8
regulatory arbitrage 95, 172
regulatory capital 91
reindustrialization 138–9; see also
definancialization
reliance
of large financial firms on ‘insurers’
and hedge fund managers
79–81
of savers on sellers of mortgage-
backed securities and ratings
firms 74–7
of stockholders on corporate
executives and ratings firms
77–9
types of 74
reliance cycles 72–3, 95
and arbitrage 89, 94
in the US economy 74
‘representative agent’ construct 128,
145
Minsky 147–8
riba (interest), Islamic economics
165–6, 173–6
Ricketts, M. 219
risky transactions (gharar), Islamic
economics 166, 169–70
Rizzo, Mario J. 110
Robinson, Joan 128
Rodriguez, F. 141
Rogers, Colin 145
Romer, Christina 255
Roosevelt, Franklin D. 23
New Deal 115
Rosen, Richard J. 203
Rosengren, Eric S. 189
Rosner, Joshua 76
Rossman, P. 56
Rothbard, Murray 110
Sabarwal, Shwetlena 185
Samuelson, Paul A. 238
Economics 6
Sarbanes–Oxley Act 186
Sargent, Tom 22
<table>
<thead>
<tr>
<th>Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sarkozy, Nicholas 153</td>
</tr>
<tr>
<td>savings and loans associations 215</td>
</tr>
<tr>
<td>Sawyer, Malcolm 152</td>
</tr>
<tr>
<td>Sayers, R.S. 216</td>
</tr>
<tr>
<td>Say’s Law 15, 112–13</td>
</tr>
<tr>
<td>Schmidt, Christian 203</td>
</tr>
<tr>
<td>Schumpeter, Joseph A. 125, 141, 230, 235</td>
</tr>
<tr>
<td>Schwartz, Anna J. 18, 19</td>
</tr>
<tr>
<td>Scottish Widows 215</td>
</tr>
<tr>
<td>SDGE/DSGE (stochastic dynamic/ dynamic stochastic general equilibrium) models 128, 146–7</td>
</tr>
<tr>
<td>Securities and Exchange Commission 200, 201</td>
</tr>
<tr>
<td>securitization 95, 246</td>
</tr>
<tr>
<td>self-interest Islamic economics 160–61 role of 7</td>
</tr>
<tr>
<td>Selgin, George 110</td>
</tr>
<tr>
<td>shadow banking system 172</td>
</tr>
<tr>
<td>Shafer, W. 128</td>
</tr>
<tr>
<td>share reform, Keen 140</td>
</tr>
<tr>
<td>Shick, Richard A. 90</td>
</tr>
<tr>
<td>Shiller, Robert 69, 185, 188, 221, 223</td>
</tr>
<tr>
<td>Shin, H.S. 176</td>
</tr>
<tr>
<td>shocks, crises as 225–6</td>
</tr>
<tr>
<td>Siddiqi, M.N. 166, 179</td>
</tr>
<tr>
<td>Silberstein, Kurt 248</td>
</tr>
<tr>
<td>simple exchange story 187</td>
</tr>
<tr>
<td>SIVs (structured investment vehicles) 167, 172</td>
</tr>
<tr>
<td>Skidelsky, Robert 185</td>
</tr>
<tr>
<td>smart money as destabilizing 198–9 and prices 197–8</td>
</tr>
<tr>
<td>SMD (Sonnenschein–Mantel–Debreu) conditions 128</td>
</tr>
<tr>
<td>Smirnov, A. 161</td>
</tr>
<tr>
<td>Smith, Adam 8</td>
</tr>
<tr>
<td>Smith, Vernon L. 25</td>
</tr>
<tr>
<td>Smoot–Hawley Tariff Act 18</td>
</tr>
<tr>
<td>social fairness 46</td>
</tr>
<tr>
<td>social provisioning 236</td>
</tr>
<tr>
<td>social spending 276–7</td>
</tr>
<tr>
<td>Soddy, Frederick 40</td>
</tr>
<tr>
<td>Sonnenschein, H. 128</td>
</tr>
<tr>
<td>Soros, George 157</td>
</tr>
<tr>
<td>South Africa, financial sector size 51–2 special affordable loans 19</td>
</tr>
</tbody>
</table>
UK
- bank recapitalization programme 27–30
- quantitative easing 31–4, 272
- ‘un-economic growth’ 45
- ‘the understanding’ 69, 71, 73, 90
- unemployed people, punitive attitude towards 153
- unique qualities of the subprime crisis 194–6

USA
- postwar recovery 116–17
- reliance cycles 74
- USA housing bubble, incentive divergence 68–71

Veblen, Thorstein B. 208, 223–4, 235, 236, 237

VRS (variable return scheme) 174

Wade, Robert 185

Wall Street vision of capitalism, Minsky 144, 147, 151

Waller, W. 218

Walras’s Law 129

Washington Consensus 16, 185, 270
- ‘empty world’ context 40

Washington Mutual 188

way forward
- Austrian school 105–9
- big government 271–4
- debt abolition Jubilee 135–8
- ecological model of development 48–9
- global restructuring 269–70
- housing market reform 140
- Islamic economics 178–80
- J.E. King 151–6
- Marx, Karl/Marxism 61–3
- ordinary economics 21–4

PKI (post-Keynesian institutionalism) 249–54
- recovery 250–51
- reform 251–4
- stock market reform 140

L. Randall Wray
- big government 271–4
- longer-run policy 274–8
- short-run policy response 265–9

Weber, Alex 167

Weintraub, Sidney 239

Weisbrot, Mark 186

Weiss, Marc A. 89

Wessel, David 172

Whalen, Charles 242, 243, 253, 260

White, Adam K. 279

White, Lawrence H. 110

White, Lawrence J. 19

Wilber, Charles K. 239

An Inquiry into the Poverty of Economics 239

Williamson, O.E. 207, 219

Wilson, R. 177

Winton, Andrew 174

Wolf, Martin 56

Wolfson, Martin H. 235, 243

Woodford, Michael 145, 222

Woodward, S. 219

Works Relief Administration 150

World Bank, replacement of 49

Wray, L. Randall 143, 150, 151, 191, 195, 222, 235, 243

WTO, replacement of 49

Zabel, Richard R. 91

zakah/zakat, Islamic economics 164, 173

zakat 164

Zalewski, David A. 235, 243

Zandi, Mark 19

zulm 162