Index

Aaronson, Daniel 186
adoptive 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
Beddooe, 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
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
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
<table>
<thead>
<tr>
<th>Term</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>De Soto, J.H.</td>
<td>219</td>
</tr>
<tr>
<td>debt, record keeping in Islamic economics</td>
<td>164</td>
</tr>
<tr>
<td>debt abolition Jubilee, Keen model</td>
<td>135–8</td>
</tr>
<tr>
<td>debt deflation process</td>
<td>265</td>
</tr>
<tr>
<td>debt-financed consumption</td>
<td>156</td>
</tr>
<tr>
<td>debt-financed leisure</td>
<td>156</td>
</tr>
<tr>
<td>Debunking Economics (Keen)</td>
<td>127</td>
</tr>
<tr>
<td>definancialization</td>
<td>154–5</td>
</tr>
<tr>
<td>DeLong, B.</td>
<td>141, 265</td>
</tr>
<tr>
<td>democratic governments, policy-making biases</td>
<td>18–21</td>
</tr>
<tr>
<td>Demsetz, Harold</td>
<td>207, 219</td>
</tr>
<tr>
<td>deposit currency</td>
<td>29, 33</td>
</tr>
<tr>
<td>depreciated capital, Marx</td>
<td>55</td>
</tr>
<tr>
<td>depression economics</td>
<td>14</td>
</tr>
<tr>
<td>Der Hovanesian, Mara</td>
<td>169, 170, 181, 246, 254</td>
</tr>
<tr>
<td>Desmond, Maurna</td>
<td>91</td>
</tr>
<tr>
<td>differential equation softwares</td>
<td>132</td>
</tr>
<tr>
<td>Dillard, Dudley</td>
<td>239, 240</td>
</tr>
<tr>
<td>‘do-nothing’ policies</td>
<td>22–3</td>
</tr>
<tr>
<td>dos Santos, P.</td>
<td>57, 58</td>
</tr>
<tr>
<td>DSGE/SDGE (dynamic stochastic/stochastic dynamic general equilibrium)</td>
<td>128, 146–7</td>
</tr>
<tr>
<td>Dugger, William M.</td>
<td>235, 236</td>
</tr>
<tr>
<td>Dullien, Sebastian</td>
<td>147, 156</td>
</tr>
<tr>
<td>Dymski, Gary</td>
<td>244, 254</td>
</tr>
<tr>
<td>Earnshaw, Aliza</td>
<td>250</td>
</tr>
<tr>
<td>Easterlin, R.A.</td>
<td>43</td>
</tr>
<tr>
<td>ecological model of development</td>
<td></td>
</tr>
<tr>
<td>GPI vs GDP</td>
<td>44–5</td>
</tr>
<tr>
<td>overview 40–42, 49–50</td>
<td></td>
</tr>
<tr>
<td>policies to achieve real, sustainable development 48–9</td>
<td></td>
</tr>
<tr>
<td>principles for sustainable governance 47–8</td>
<td></td>
</tr>
<tr>
<td>real economy vs market economy</td>
<td>42–4</td>
</tr>
<tr>
<td>ecological sustainability</td>
<td>45–7</td>
</tr>
<tr>
<td>economic stimulus, questions over 3</td>
<td></td>
</tr>
<tr>
<td>economic theory</td>
<td></td>
</tr>
<tr>
<td>challenges for 1–2</td>
<td></td>
</tr>
<tr>
<td>degradation from science to opinion 16</td>
<td></td>
</tr>
<tr>
<td>economics</td>
<td>6</td>
</tr>
<tr>
<td>Economist, The</td>
<td>171, 199, 209</td>
</tr>
<tr>
<td>efficient market hypothesis</td>
<td>8, 51, 196–7</td>
</tr>
<tr>
<td>El Nasser, Haya</td>
<td>247, 249</td>
</tr>
<tr>
<td>employer of last resort</td>
<td>150</td>
</tr>
<tr>
<td>Epstein, Gerald</td>
<td>151, 157, 185, 186, 196</td>
</tr>
<tr>
<td>equi-marginal condition</td>
<td>210</td>
</tr>
<tr>
<td>Equitable Life Assurance Society</td>
<td>215</td>
</tr>
<tr>
<td>equities reform, Keen</td>
<td>140</td>
</tr>
<tr>
<td>Erturk, I.</td>
<td>56</td>
</tr>
<tr>
<td>Esponda, Ignacio</td>
<td>88</td>
</tr>
<tr>
<td>Essays in Biography (Keynes)</td>
<td>146</td>
</tr>
<tr>
<td>European Monetary System (EMS), preventing government</td>
<td></td>
</tr>
<tr>
<td>monetizing its debt via inflation</td>
<td>22</td>
</tr>
<tr>
<td>exchange rates, return to fixed rates</td>
<td>154</td>
</tr>
<tr>
<td>extravagance, Islamic economics</td>
<td>165</td>
</tr>
<tr>
<td>Fannie Mae (Federal National Mortgage Association)</td>
<td>18–19, 75, 103–4, 247</td>
</tr>
<tr>
<td>Fazzari, Steven</td>
<td>240, 241</td>
</tr>
<tr>
<td>feasible socialism</td>
<td>144</td>
</tr>
<tr>
<td>Felipe, Jesus</td>
<td>270</td>
</tr>
<tr>
<td>Ferguson, Niall</td>
<td>166</td>
</tr>
<tr>
<td>fetishism</td>
<td>155</td>
</tr>
<tr>
<td>fictitious capital, Marx</td>
<td>54–5</td>
</tr>
<tr>
<td>financial accelerator model</td>
<td>221</td>
</tr>
<tr>
<td>financial crisis, affecting the ‘real economy’, Minsky</td>
<td>149–50</td>
</tr>
<tr>
<td>financial fragility, Minsky</td>
<td>148</td>
</tr>
<tr>
<td>financial instability hypothesis</td>
<td>(Minsky) 128, 144, 147–51, 240–42, 261</td>
</tr>
<tr>
<td>financial intermediation</td>
<td>72–3</td>
</tr>
<tr>
<td>regulation of 81–6</td>
<td></td>
</tr>
<tr>
<td>reliance on 71–2</td>
<td></td>
</tr>
<tr>
<td>financial markets, as self-destructilizing</td>
<td>191–2</td>
</tr>
<tr>
<td>financial reform</td>
<td>277</td>
</tr>
<tr>
<td>financial sector</td>
<td></td>
</tr>
<tr>
<td>size 51–2</td>
<td></td>
</tr>
<tr>
<td>support revenue equivalent of privatizations revenue</td>
<td>63</td>
</tr>
<tr>
<td>Financial Services Modernization Act (1999)</td>
<td>194</td>
</tr>
</tbody>
</table>
financialization 53, 55, 56–8, 60–61, 62, 147, 154, 155, 167, 176, 177, 186
Islamic economics 175–6
first order goods 97
fiscal policy, effectiveness 37–9
fiscal stimulus, direct cash payments rather than tax relief 152–3
Fischer, Stanley 118–19
Fisher, Irving 29, 30, 35, 175, 224, 265
debt-deflation theory of great depressions 29–30, 175
Fitch Ratings 76
fixed exchange rates, return to 154
fixed return scheme (FRS) 174
Foley, Stephen 245
Folsom, Burton W., Jr 116
Foster, J.B. 177
Foster, John Fagg 238
Frank, Robert H. 5, 43, 46
Frank, Thomas 192
fraud, Islamic economics 165
Freddie Mac (Federal Home Loan Mortgage Corporation) 18–19, 75, 103–4, 247
free consent, Islamic economics 163–4
Freeman, James 248
Friedman, Benjamin 26–7
Friedman, Jeffrey 19
Friedman, Milton 16, 22
Froud, J. 177
FRS (fixed return scheme) 174
Fukuyama, F. 218
full employment 277–8
as macroeconomic goal 156
Furubotn, E. 88
Fusfeld, Daniel R. 239
Galbraith, James K. 197, 251, 273, 274, 276
Galbraith, John Kenneth 16, 96, 222, 231, 239
Gale, D. 174
gambling, Islamic economics 166
Garrison, Roger 100, 110
Garside, W.R. 116
GDP, as a measure of true human well-being 44–5
Geithner, Timothy 261, 266–7
*General Theory of Employment, Interest and Money* (Keynes) 3
Genuine Progress Indicator (GPI) 44, 45
Gertler, Mark 27, 34, 175, 221
‘The credit channel of monetary policy transmission’ 27, 34–5, 36
Gethard, Gregory 90
*gharar* (excessively risky transactions), Islamic economics 166, 169–70
Ginnie Mae (Government National Mortgage Association) 75
Gjerstad, Steven 25
Glass–Steagall Act 171, 194
Goldman Sachs 184
Goodhart, Charles 172
Gorton, Gary 172
governance, Islamic economics 171–3
governments, required reinvention of role 46
GPI (Genuine Progress Indicator) 44, 45
Great Depression 114–16
Austrian explanation 17
debt-deflation theory 29–30, 175
Keynesian explanation 17
monetarist explanation 17
ordinary economics explanation 17–18
Great Moderation 131
Great Recession 166
green policy 274
Greenfield, G. 56
Greenspan, Alan 179, 201
‘shocked disbelief’ 150
Greenspan Put 102–3, 132–3
guaranty 72
Gunning, J. Patrick 66, 83
Hall, D. 62
Hall, Joshua C. 22
Hansmann, H.B. 214
happiness, science of 42
Harris, M. 174
Hart, O. 219
Hassan, M. Kabir 174, 180
Hawtrey, Sir Ralph 175
Hayek, Friedrich A. von 24, 67, 101, 110
HBOS rescue 62
health care 276
hedge finance, Minsky 148
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
Hobsbawm, Eric J. 151
Hobson, John Atkinson 227
Hoijnacki, Jared E. 90
HOLC (Home Owners’ Loan Corporation) 268
Holt, Christopher 248
Homo Islamicus 160
Howard, Michael C. 143, 144, 154
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
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
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 17
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 185
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
Lissoni, Paolo 192
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
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-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
coping 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
Index

Sarkozy, Nicholas 153
savings and loans associations 215
Sawyer, Malcolm 152
Sayers, R.S. 216
Say’s Law 15, 112–13
Schmidt, Christian 203
Schumpeter, Joseph A. 125, 141, 230, 235
Schwartz, Anna J. 18, 19
Scottish Widows 215
SDGE/DSGE (stochastic dynamic/ 
dynamic stochastic general 
equilibrium) models 128, 146–7
Securities and Exchange Commission 
200, 201
securitization 95, 246
self-interest
Islamic economics 160–61
role of 7
Selgin, George 110
shadow banking system 172
Shafer, W. 128
share reform, Keen 140
Shick, Richard A. 90
Shiller, Robert 69, 185, 188, 221, 223
Shin, H.S. 176
shocks, crises as 225–6
Siddiqi, M.N. 166, 179
Silberstein, Kurt 248
simple exchange story 187
SIVs (structured investment vehicles) 167, 172
Skidelsky, Robert 185
smart money
as destabilizing 198–9
and prices 197–8
SMD (Sonnenschein–Mantel–Debreu) 
conditions 128
Smirnov, A. 161
Smith, Adam 8
Smith, Vernon L. 25
Smoot–Hawley Tariff Act 18
social fairness 46
social provisioning 236
social spending 276–7
Soddy, Frederick 40
Sonnenschein, H. 128
Soros, George 157
South Africa, financial sector size 51–2
special affordable loans 19
speculation
distinct from arbitrage 197
Islamic economics 166, 170–71
speculative finance, Minsky 148
Spitzer, Eliot 252
Stabilizing an Unstable Economy 
(Minsky) 190
stagflation 117–18
Stamp, Sir Josiah 61–2
Standard and Poor’s 76
standard model 3–5
textbook examples 5–6
statistical extrapolation 68–9
Steedman, Ian 187
Stigler, George 85
Stiglitz, Joseph E. 27, 61, 185, 251, 253
stochastic disturbance modelling 225–6
stock market, 1929 crash 18
stock market reform, Keen 140
Stockhammer, E. 56, 177, 186
subprime mortgage borrowers 95
Summers, Larry 51
sustainable development, see ecological 
model of development
Swan, Peter L. 193
systems engineering softwares 132
Tahir, Sayyid 179
Tamborini, Roberto 156
Taub, Daniel 89
Taylor, John 25
published example of standard 
model 6
Taylor Rule 6, 145
Tcherneva, Pavlina 270
Tett, Gillian 90, 195, 196, 199, 202, 203
Thabet, Slim 235
Thirlwall, A.P. 143, 144
thymos 208
Tily, G. 222
Tobin, James 238
Todorova, Zdravka 235
Toporowski, J. 224, 225, 226, 229, 230
transversality condition 146, 157
Troubled Asset Relief Program 250
Truman, Harry 117
Tullock, G. 219
Tully, Shawn 171, 176
Twain, Mark 132
Tymoigne, Eric 235
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