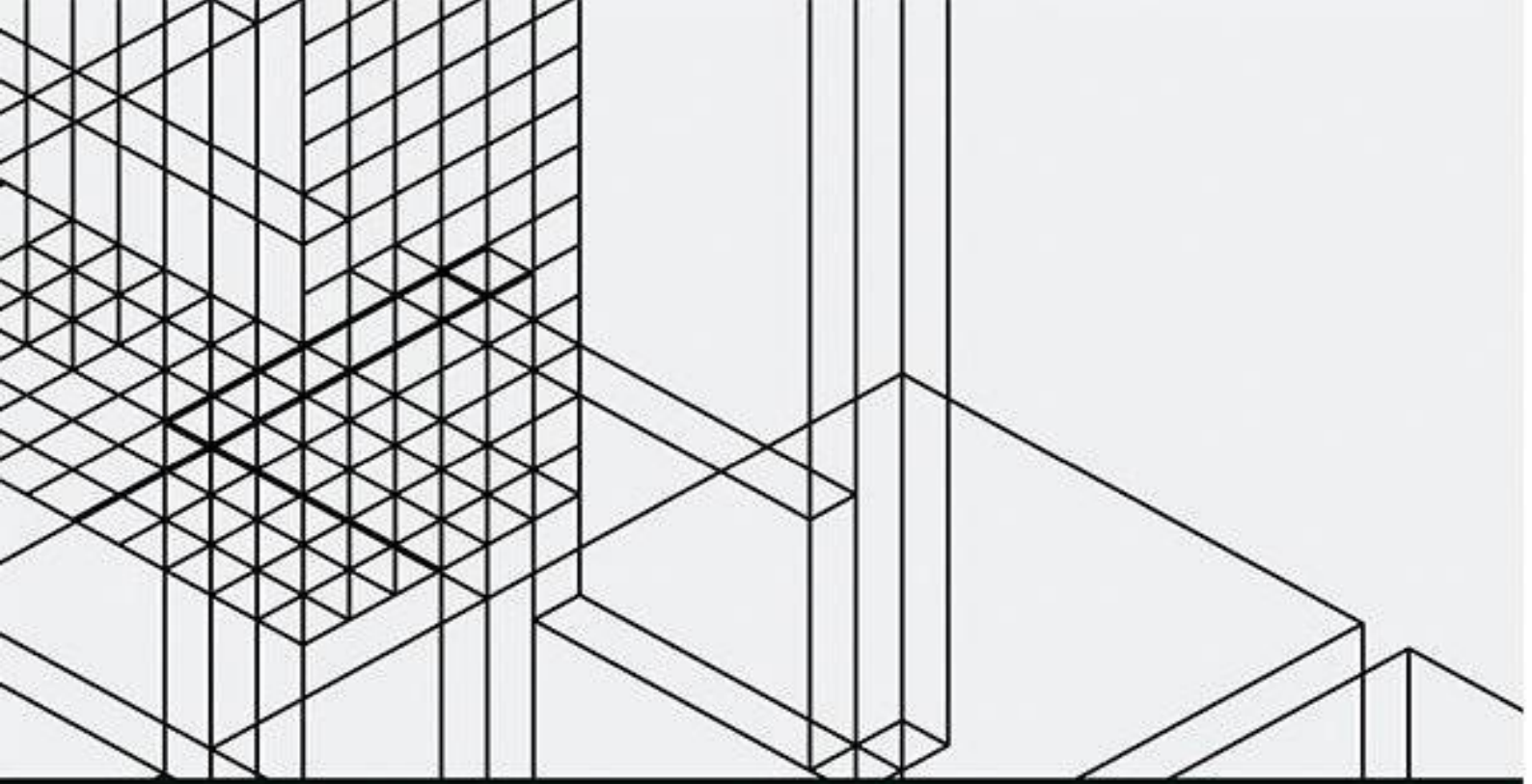
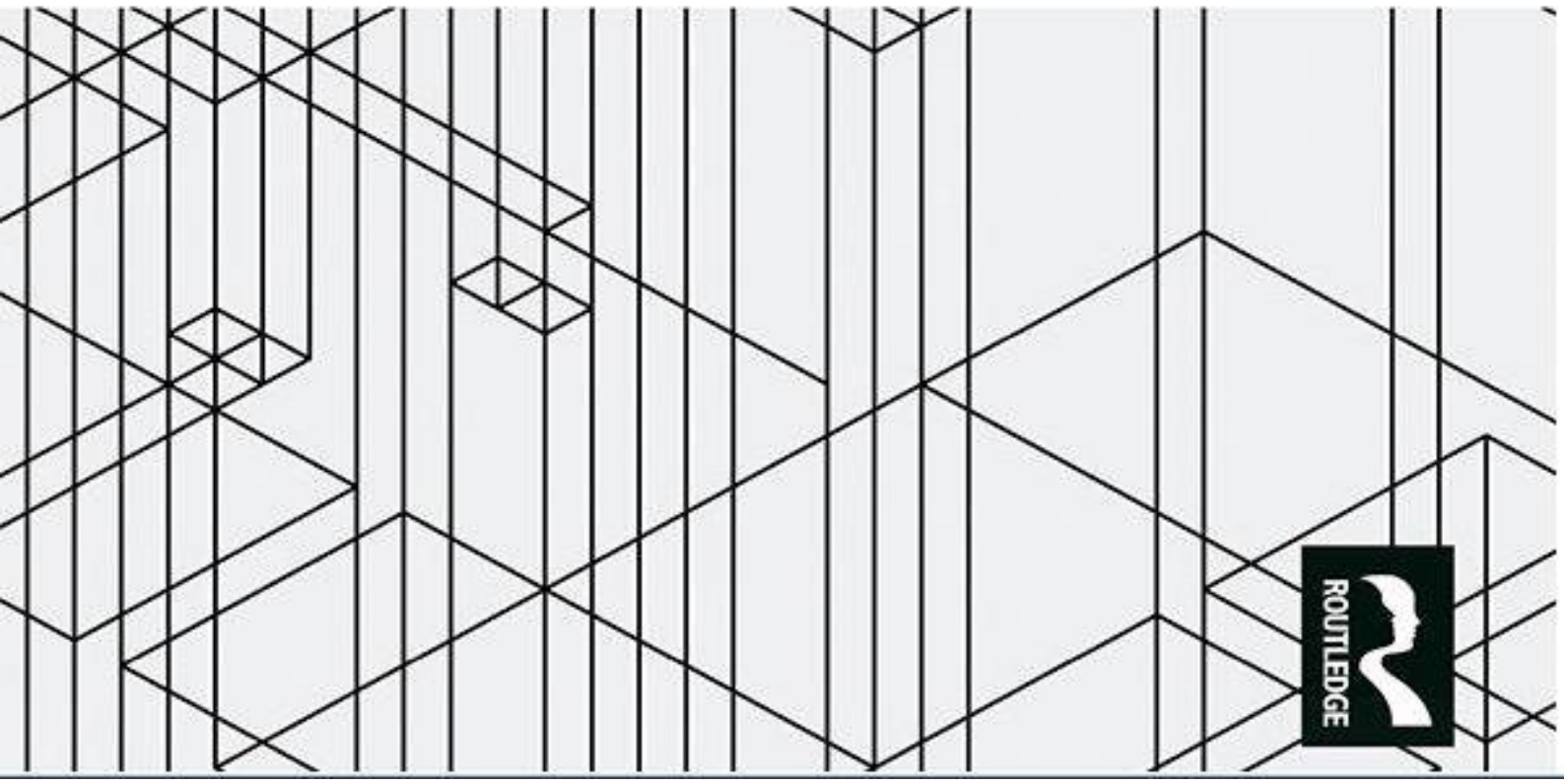


Routledge Critical Studies in Finance and Stability

EVOLUTIONARY FINANCIAL MACROECONOMICS

Giorgos Argitis



EVOLUTIONARY FINANCIAL MACROECONOMICS

Πρόλογος

This book has been written in response to current debates that have brought forward the need for a reassessment of the current state of macroeconomic theory and policy. This need is even more imperative in the post global financial crisis period, which has evidenced the profound failure of habitual, equilibrium and laissez-faire macroeconomics to provide a pragmatic comprehension of the financial processes that generate frequent episodes of insolvent and unsustainable balance sheets, asset price bubbles and credit crunches, fragility and instability, debt-deflation, business cycles and stagnation tendencies.

The writer's key objective is to expose the enduring value and relevance of the macro-visions of Veblen and Minsky so as the readers can comprehend better the explosive dynamics and intrinsic instability of an accumulating capitalist economy with complex, evolving and unstable financial markets. The central argument of this book is that Veblen and Minsky placed solvency, liquidity and the endogenous fragility of the financial system at the heart of their evolutionary understanding of macroeconomics. The writer is of the opinion that a mixture of Veblen's post-Darwinian cultural macroeconomic theory with Minsky's Schumpeterian evolutionary macro-finance approach to capitalist instability adds value to the building of foundations necessary for the development of a cultural, holistic, evolutionary macroeconomic theory.

The value added contains a pragmatic bias in the understanding of the interconnection between financial fragility and macroeconomic change. It also encompasses likely guidelines for institutional reforms and macroeconomic policy interventions to reinforce coherence and promote employment, security and welfare. Particular attention is focused on the cultural foundations of the principle of effective demand and of how speculative and parasitic credit creation, unsustainable leverage and liability structures and solvency illusions engender industrial inefficiency, waste, unemployment, inequality and socially destructive boom-bust cycles.

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