Heterodox Economics and the Varied Manner of Moral Reflection
James Halteman and Edd Noell

in Reckoning with Markets: The Role of Moral Reflection in Economics

Heterodox economics presents alternative critical explanations for the driving forces behind capitalism. The chapter examines the distinctive moral reflections expressed by Karl Marx, Thorstein Veblen, and Friedrich Hayek. Marx’s historical materialism relies on dialectical reasoning to explain class struggle and economic change. His valuation of human autonomy, as ultimately manifested in communism, drives his moral critique of capitalism. Veblen’s understanding of the complex instincts underlying economic activity lays a path for more extensive incorporation of moral reflections in economics. Yet his evolutionary economics posits no final purpose in human economic activity. Hayek challenges the perfect information assumption of neoclassical economics, finding that competitive markets continually generate new information that creates disequilibrium. His reflections on the origins of moral codes and critique of collectivist planning affirm the superiority of the norm of liberty. The chapter concludes with the vignette “Karl Marx: Can a Materialist Produce a Moral Critique of Capitalism?”

THE COORDINATION OF EUROPEAN UNION POLICY: ACTOR PERSPECTIVES
Andrew Jordan and Adriaan Schout

in The Coordination of the European Union: Exploring the Capacities of Networked Governance
This chapter introduces the basic administrative mechanisms for coordinating EU policy in the five actors. For each actor, it describes the most important administrative parts and explains the processes through which they seek to coordinate their input to EU policy making, both internally (that is, intra-departmentally) and with cognate actors (that is, inter-departmentally). To permit comparison, it begins by analysing the main coordination instruments and roles within each actor. It then describes the mechanisms through which each coordinates the various phases of EU policy making described in Chapter 2. Finally, it comments on how each is currently attempting to upgrade its coordination system.

GERMANY: A REACTIVE AND PASSIVE COORDINATOR?
Andrew Jordan and Adriaan Schout

in The Coordination of the European Union: Exploring the Capacities of Networked Governance

Published in print: 2006 Published Online: January 2007
Item type: chapter

This chapter analyses the administrative capacities that this actor has developed to coordinate the implementation of EPI across the whole of the EU (that is, EU-EPI). In so doing, it moves on from looking at the ways in which this particular actor operates in its immediate institutional space, to gauge how all the actors coordinate together in a network or networks. This chapter is written to fit a standard analytical framework, which is outlined in Chapter 2.

Rethinking the Keynesian Revolution
Tyler Beck Goodspeed

Published in print: 2012 Published Online: September 2012
Item type: book

While standard accounts of the theoretical debates in 1930s economic thought invariably pit John Maynard Keynes against Friedrich von Hayek, this reflexive dichotomy is in many respects exceedingly superficial. It is the argument of this book that both Keynes and Hayek developed their respective theories of the business cycle within the tradition of Swedish economist Knut Wicksell, and that this shared genealogy manifested itself in significant theoretical affinities between the two apparent antagonists. The salient features of Wicksell’s work, namely, the importance of money, the role of uncertainty, coordination failures, and
the element of time in capital accumulation, all motivate the Keynesian and Hayekian theories of economic fluctuations, and contributed, The author argues to a fundamental convergence between the two economists during the course of the 1930s. Moreover, this shared, “Wicksellian” vision of the economic problem points to a very different research agenda from that of the Walrasian-style, general equilibrium analysis that has dominated postwar macroeconomics. The book aims not only to deconstruct some of the historical misconceptions of the Keynes versus Hayek debate but also to suggest how the insights thus uncovered can inform and instruct modern theory. While much of the analysis is quite technical, it does not assume previous knowledge of 1930s economic theory and thus should be accessible to economists, political scientists, and historians with general economics training, as well as to graduate students in these fields.

Private Sector Involvement and International Financial Crises
Michael Chui and Prasanna Gai

This book offers an analytical perspective on the policy debate on the design and reform of the international financial architecture. It stresses the role played by coordination problems in the origin and management of crises by relating the insights of the new literature on global games to earlier work on currency crises, bank runs, and sovereign debt default. It draws on recent research and policy work to examine the debate on the design of sovereign bankruptcy procedures, the role of the IMF in influencing the actions of creditors and debtors, and the role of private sector involvement in the management of financial crises.

Conclusions
Peter Flaschel and Alfred Greiner

The conclusions summarize the main results. In particular, neither the Marx' reserve army mechanism nor mass unemployment as a disciplining device, as in Kalecki's work, are necessary for the functioning of a capitalistic system. The introduction of minimum and maximum
real wages can attenuate the negative consequences of booms and recessions provided that markets, including the labor market, are sufficiently flexible implying that employers must not be constrained in their hiring and firing decisions. Further, lower and upper bounds for real wages can be seen as one ingredient of a flexicurity economy that intends to overcome the conflict between capital and labor. Thus, flexicurity capitalism can be considered as a Western type of competitive socialism, as envisaged by Schumpeter, that does not only successfully solve the coordination problem but also the incentive problem in the principal-agent scenario.

Information and Organization
Mark Casson

Published in print: 2001 Published Online: November 2003
Item type: book

Offers a vision of the economy as a system of structured information flow. The structuring is effected by institutions, and in particular, by firms, which specialize in processing the information needed to allocate resources properly. Market-making firms that intermediate between producers and consumers by developing brands, are particularly important in this respect. Firms are the institutional embodiment of the visions of the entrepreneurs who found them. Firms grow and decline, creating a highly flexible structure of information processing in society, which evolves and adapts as circumstances change. The book uses these general concepts to analyse the historical development of a number of specialist information subsystems, including business networks, industrial districts, and trading empires.

Information and Investment
G. B. Richardson

Published in print: 1997 Published Online: November 2003
Item type: book

Firms base their investment decisions on expectations, these being based, in turn, upon information about relevant future circumstance. The availability of this information depends partly upon the market structure within which firms operate. In perfect competition, firms would find this information impossible to obtain, which is the reason why no plausible account has been provided of how, given that particular market structure, movement to equilibrium could take place. In order
to understand how market economies work, how competitive and complementary investments are coordinated, we need to take explicit account of circumstances, which commonly feature as ‘imperfections’, but make informed expectations possible. The information available to firms will always be incomplete and the expectations based on it necessarily uncertain. Consideration is therefore given to the strategies adopted in order to cope with this uncertainty. The selective or evolutionary function of competition is discussed, particular attention being given to its compatibility with the circumstances, which, by providing a firm's environment with stability, facilitate foresight. There is a discussion of whether firms’ response to uncertainty is likely to result in undue (or insufficient) discrimination against risky ventures and to a consequent misallocation of resources. Two articles published since the first edition of this book feature as Annexes to this edition. The Organisation of Industry explains the networks of inter‐firm cooperation and affiliation in terms of the need to coordinate activities that are complementary in a process of production but require different capabilities for their undertaking. Planning versus Competition deals with the ways in which economic activities can be coordinated, contrasting centralized and de-centralized systems.

Out of Equilibrium
Mario Amendola and Jean-Luc Gaffard


This book moves from the consideration that the dominant equilibrium theory is not suited to deal properly with economic changes like innovation and growth, which are, in the nature of structural changes, taking place through processes in real time. It proposes an alternative out-of-equilibrium analytical framework that requires a reconstruction of the basic analytical blocks of an economic paradigm. These building blocks (production, money, the human resource, and the market) are analysed in the first part of the book. This makes it possible to look at economic change as a process sketched out by the way in which successive disequilibria between supply and demand interact sequentially at each moment of time and over time. Whereas in equilibrium models the evolution of the economy is determined by the ‘fundamentals’ (technology, preferences, and institutions), here the outcome is heavily influenced by how the process of change itself develops, the sequential decisions taken, and the policies followed. The main analytical issue appears to be, then, the viability of the economic
process through which change takes place and the coordination mechanisms required to assure it, rather than the nature of the original shock. The model proposed in the second part of the book is a heuristic tool that makes it possible to explore various alternative evolution paths of the economy, as the result of different kinds of real and monetary shocks. The main result that emerges is that central phenomena—growth, unemployment, and inflation—are neither exclusively demand side nor exclusively supply side issues. They essentially depend on how the different factors involved are coordinated over time. In this light, policy recommendations appear entirely different and in some cases, opposite to those advocated by the dominant equilibrium theory, thus giving a new perspective on the recent past of the western economies.

Models for Dynamic Macroeconomics
Fabio-Cesare Bagliano and Giuseppe Bertola

Introduces methodological tools for dynamic analysis of macroeconomic phenomena: consumption and investment choices, employment, and unemployment outcomes, and economic growth. Discrete-time dynamic optimization under uncertainty is introduced in Ch. 1 and applied to intertemporal consumption theory, with particular attention to empirical implementation. Chapter 2 focuses on continuous-time optimization techniques and discusses the relevant insights in the context of partial equilibrium investment models. Chapter 3 applies previous chapters’ tools to dynamic labour demand, deriving the labour market equilibrium when both firms and workers face dynamic adjustment problems. Chapter 4 studies continuous-time equilibrium dynamics of representative-agent economies featuring both consumption and investment choices, with applications to long-run growth issues. The role of externalities in more recent models of endogenous growth is carefully discussed. Chapter 5 studies the determination of aggregate equilibria in markets with decentralized trading, discussing the possibility of coordination failures and multiple equilibria. A search model of the labour market, focussed on the flows into and out of unemployment, is then analyzed and the dynamics of frictional unemployment are discussed. Many exercises can be found both within and at the ends of chapters, with extended solutions.
A theory of collective rationality identifies collective acts that are evaluable for rationality and formulates principles for their evaluation. This book argues that a group's act is evaluable for rationality if it is the product of acts its members freely and fully control. It also argues that such an act is collectively rational if the acts of the group's members are rational. Efficiency is a goal of collective rationality, but not a requirement, except in cases where conditions are ideal for joint action and agents have rationally prepared for coordination. A theory of collective rationality also yields principles concerning solutions to games. One principle requires that a solution constitute an equilibrium among the incentives of the agents in the game. In a cooperative game some agents are coalitions of individuals, and it may be impossible for all agents to pursue all incentives. Because rationality is attainable, the appropriate equilibrium-standard for cooperative games requires pursuit of an incentive only if it provides a sufficient reason to act. The book's theory of collective rationality supports an attainable equilibrium-standard for solutions to cooperative games and shows that its realization follows from individuals' rational acts. This book's theory of collective rationality contributes to philosophical projects such as contractarian ethics and to practical projects such as the design of social institutions.
of ‘rationality’. The integration of social interaction with economic fertility models in this book emerges as a powerful tool to overcome many of these criticisms. First, the analysis provides a formal integration of economic, sociological, and other approaches to fertility and shows that there is a useful and promising agenda at the intersection of these schools. The second and more important goal is to sharpen the analytic lens with which theorists from different schools investigate fertility. For economists, the work shows the advantages of moving beyond individual decision-making and embedding the fertility decisions in a ‘local environment’ with interpersonal information flows, ‘atmospheric’ or social externalities, norms, and customs. For sociologists, this work intends to show that the theorizing about the interaction in social network can be more sophisticated. Thirdly, the findings have important implications for population policy. The analyses in this book show when family planning is likely to diffuse and lead to rapid adoption of birth control, and they derive conditions when Pareto-improving policy measures are likely to exist.

**Fusion for Profit**

Sharan Jagpal and Shireen Jagpal

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Published Online: September 2008
DOI: 10.1093/acprof:oso/9780195371055.001.0001
Item type: book

This book shows how to fuse marketing, finance, and other disciplines to improve performance for the corporation or organization. Specifically, it shows decision makers at different levels in the organization and in different functional areas (e.g., marketing, finance, new product development, and human resources management) how to overcome the problems resulting from function- and discipline-based “silos.” The book has several novel features. All concepts are presented in a simple and easily accessible question-and-answer format. The book provides an in-depth analysis of a broad spectrum of important managerial topics (e.g., how to allocate advertising funds between Internet and conventional advertising, how to evaluate brand equity for mergers and acquisitions, and how to coordinate product design, marketing strategy, and production). In addition, because of its fusion-based methodology, the book provides decision makers with new tools to address familiar managerial problems (e.g., resource allocation and the design of managerial contracts in multiproduct or multidivisional firms). Throughout the book, the focus is on providing managers with actionable theories and metrics that are rigorous yet practical, and that allow the firm or organization to fuse — not merely interface — different functional areas.
Almost Public Monitoring Games
George J. Mailath and Larry Samuelson

in Repeated Games and Reputations: Long-Run Relationships

This chapter provides a detailed treatment of work on games with almost-public monitoring. The chapter introduces the key distinction between strategies with bounded and unbounded recall, showing that perfect public equilibria with bounded recall in public monitoring games induce equilibrium behavior in nearby private monitoring games, while equilibria with unbounded recall typically imply coordination failure in nearby private monitoring games. The chapter concludes with a folk theorem for games of almost-public monitoring.

Sovereign Defaults and the Corporation of Foreign Bondholders
Paolo Mauro, Nathan Sussman, and Yishay Yafeh

in Emerging Markets and Financial Globalization: Sovereign Bond Spreads in 1870-1913 and Today

This chapter analyzes the operations of the Corporation of Foreign Bondholders (CFB) — an association of British investors holding bonds issued by foreign governments — between 1870 and 1913. It describes the coordination among creditors fostered by the CFB and evaluates its successes and failures. It is shown that a revamped creditor association might facilitate creditor coordination today and facilitate sovereign debt crisis resolution. The CFB may have had an easier time than a comparable body would have today.

National Closure During the Golden Age of Welfare Expansion
Maurizio Ferrara

in The Boundaries of Welfare: European Integration and the New Spatial Politics of Social Protection

This chapter analyzes the operations of the Corporation of Foreign Bondholders (CFB) — an association of British investors holding bonds issued by foreign governments — between 1870 and 1913. It describes the coordination among creditors fostered by the CFB and evaluates its successes and failures. It is shown that a revamped creditor association might facilitate creditor coordination today and facilitate sovereign debt crisis resolution. The CFB may have had an easier time than a comparable body would have today.
This chapter focuses on the Trente Glorieuses (1945-1975), and identifies the first seeds of spatial reconfiguration in the field of social protection: the appearance of new membership spaces (e.g. supplementary pension schemes), the creation of the European Communities, and the establishment of a coordination regime regulating the social entitlements of migrant workers within the EC. The chapter discusses the original division of labour between the market-making functions of the EC, and the redistributive functions left to the member states. It also reconstructs the emergence of a distinct EC “constitutional order” and its creeping implications for national social rights through legal integration.

Maurizio Ferrara

This chapter presents a map describing the new spatial architecture of social protection in the European Union resulting from free movement and competition rules, and their effects on traditional welfare state boundaries. The destructuring consequences of the new boundary configuration are discussed, with specific reference to pensions systems and the issue of migration. The chapter concludes by highlighting the margins of manoeuvre for a possible “nesting” of nation-based forms of social protection in a wider EU space, capable of promoting adaptation and reform, while upholding at the same time the basic pre-conditions for maintaining adequate levels of social protection.

The Institutions of the Market
Alexander Ebner and Nikolaus Beck (eds)

This book approaches markets as a dynamic ensemble of institutions; and as a set of rules or norms, that contribute to the evolution of social systems of governance, and can be analysed as a structured social
system. It tackles such questions as: Where do markets come from and what drives their evolution? How do organizations cope with the competitive dynamism of markets? What is the role of governance mechanisms in the institutional coordination of markets? Using this ‘new institutionalist’ approach, this book examines the institutional foundations of economic change. Drawn from an array of disciplines, including Business, Organization Studies, Economics, and Sociology, the contributors address the organizational capabilities of firms, the social structuration of competition, and the diversity of governance mechanisms in the market.

Structural Crystallography of Inorganic Oxysalts
Sergey V. Krivovichev
Published in print: 2009 Published Online: May 2009
Item type: book

This book deals with the structural crystallography of inorganic oxysalts in general. A special emphasis is placed upon structural topology and the methods of its description. The latter include graph theory, nets, 2-D and 3-D tilings, polyhedra, etc. The structures considered range from minerals to organically templated oxysalts, for all of which this book provides a unified approach to structure interpretation and classification. Most of the structures are analysed and it is shown that they possess the same topological genealogy and relationships, sometimes despite their obvious chemical differences. In order to expand the range of oxysalts considered, the book offers traditional schemes and also alternative approaches such as anion topologis, anion-centered polyhedra and cation arrays. It also looks into the amazingly complex and diverse world of inorganic oxysalts.

Planning Operations
Richard Caplan
in International Governance of War-Torn Territories: Rule and Reconstruction
Published in print: 2005 Published Online: July 2005
Item type: chapter

Critical though the initial period is for an operation’s effectiveness, it is generally not until very late that planning for an international administration begins. Discusses the reasons—structural and political—for the absence of strategic planning, the difficulties that derive from
inadequate human and other resources, the failure to employ local knowledge sufficiently in the planning phase, and the lessons that one can draw from the comparative strengths that military organizations possess for planning purposes.