Book Reviews

Money, Method and Contemporary Post-Keynesian Economics
Edited by: Sheila Dow, Jesper Jespersen and Geoff Tily
Edward Elgar: Cheltenham, 2018. 208 pages, £67.50

This volume of thirteen papers arises out of two 80th birthday celebrations: that of Professor Victoria Chick, renowned Keynesian scholar and author of a series of papers oft-cited as intellectually formative in the history of banking and monetary theory, and of the publication of Keynes' *General Theory*.

The topic of each paper splits neatly into four areas: Goodhart, Rotheim and Tily (one of the three editors of the book) focus directly on the theory and historical practice of monetary policy from a largely Keynesian perspective, with due regard for matters of uncertainty and liquidity preference being one form of "a-rational" or non-rational decision-making. Tily concludes that the right policies could in the past have avoided poor economic performance and can in the future avoid structural stagnation, although interestingly this conclusion is not shared by Chick later in the book.

The next group of essays are framed through an evolution of banking perspective drawn from Chick's earlier work, dealing in turn with the fate of the African Bank (Hawkins), transformations of the banking sector in South Korea and Asia more widely (Ghosh), and the growth of the shadow banking in India (Sen). In each case, we see fragilities arising over time as regulations shift and new opportunities arise in terms of both liability and asset management. The importance of time and regulatory context is evident.

We then turn to explicit discussions of methodological issues, considering the role of the categories of history/time/evolution/process, of equilibrium and of uncertainty in building our understanding of credit, money and finance (Rodríguez-Fuentes, Tieben, Asensio), and a particularly engaging discussion on the development of Hick's thinking on time in economic theory (Ove Madsen). The question of whether Keynes was right to offer uncertainty a starring causal role in his theory of effective demand continues to be debated between Post Keynesians and others, and is strongly promoted by Jesper Jespersen, another of the editors. In my view the strongest arguments for taking uncertainty seriously are to be found in the writings on money, both by contributions such as found here, and further afield in for example Italian Circuit theory.

Alongside Dow (the final editor of the book), Chick is often placed on one side of a debate within Post Keynesian economics regarding how best to understand and develop the idea of endogenous money. One reading of this collection as a whole is as a demonstration that the "verticalist" position taken by Chick and Dow stands for more than concern about the shapes and shifts of schedules in a comparative static analysis of money. Critical histories and geographies of money and finance, as primarily on display in this book, require a detailed and dynamic sense of financial evolution, guided by Keynes' insight in linking money with uncertainty. This is less the case, for example, when building stock-flow consistent models for scenario testing.

The final grouping of essays deal with contemporary issues, namely coping with post-growth capitalism (Chick and Freeman) through committing to a Green New Deal, and getting a better sense of value and shifting from obsession over "gross domestic product" towards enhancing capabilities, in part through introducing a theory of care (McMaster). Criticism regarding lack of attention to both environmental matters and a proper appreciation of the "economic forms that transcend the standard economic understanding of the economy" (p. 163) have been made of Post Keynesians, so these contributions are timely. The paper by Studart, discussing the challenges of financing green strategies specific to developing countries, is also noteworthy.

Overall it is clear that Chick's particular lens for trying to make sense of the modern monetary economy continues to inspire new work in new areas. This is not doubt due to, as Rodríguez-Fuentes puts it, its combination of "intellectual rigour, scientific innovation and common sense" (p. 96).

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Money and Government
By Robert Skidelsky
Allen Lane: London, 2019. 512 pages, £25.00

"*La tua città […] produce e spande il maladetto fiore…*".[1] When Dante meets the troubadour and bishop Folquet de Marseille in the third heaven of Paradise (Canto IX), he receives scathing words with regards to what today could be considered as the monetary policy of the city of Florence. Its official currency, the Florin (named after the lily, symbol of the city), was accused to be corrupting the Christian faith of its inhabitants with the material obsession for wealth and power. It was perhaps the literary beginning of the modern saga of "*Money and Government*".

This is the evoking title of Robert Skidelsky's latest book, which deals with one of the two historical pillars of a sovereign State – the other being the Weberian monopoly of the legitimate use of force – the public control over an institutional currency. Nevertheless, the book is not merely a historical tale on monetary affairs in modern political entities. As the subtitle suggests, it aims to connect money and institutionalised power with a "challenge to mainstream economics".

The volume is surely motivated by the economic and intellectual disaster of the Global Financial Crisis of 2007–8. The resulting economic crisis was so profound that it finally exposed the flaws and misconceptions of the complacent conventional economic thinking, which itself had played a significant role in shaping the