

Three lectures on global finance and the financial crisis.

1) Financialisation: A General Overview

- (i) Heterodox views on financialisation
- (ii) An Alternative view of financialisation
- (iii) Policy implications of financialisation

Suggested reading:

Epstein, G (2005), Introduction, in Epstein, G (ed.), *Financialization and the World Economy*, Edward Elgar

Fine, B (2013-4) Financialization from a Marxist Perspective, *International Journal of Political economy*, Vol.42, 47-66

Krippner, G (2005), The Financialization of the American Economy, *Socio-Economic Review*, Vol.3, 173-208

Lysandrou, P, The Colonisation of the Future: An Alternative View of Financialisation and its Portents, under review with the *Cambridge Journal of Economics*.

Michell, J and Toporowski, J (2013-14), Critical Observations on Financialization and the Financial Process, *International Journal of Political Economy*, Vol.42, 67-82

Stockhammer, E (2012), Financialization in Toporowski, J and Michel, J (eds) *Handbook of Critical Issues in Finance*, Edward Elgar

Van der Zwan, N. (2014), Making sense of financialization, *Socio-Economic Review*, Vol.12, 99-129

2) The role of the banking system in the financial crisis.

- (i) The financial securities at the heart of the crisis: ABS and CDOs
- (ii) The role of the shadow banking sector
- (iii) The role of the hedge funds

Suggested Reading:

Caballero, R. J. 2010. 'The "Other" Imbalance and the Financial Crisis', Working Paper, No. 15636, NBER.

Demyanyk, Y. and Van Hemert, O. 2011. Understanding the Subprime Mortgage Crisis. *Review of Financial Studies*, vol. 24(6), 1848-1880.

Lysandrou, P and Nesvetailova, A (2105), The Role of Shadow Banking Entities in the Subprime Crisis: A Disaggregated View. *Review of International Political Economy*

Lysandrou, P (2012) The primacy of hedge funds in the subprime crisis, *Journal of Post-Keynesian Economics*

Palma, J.G. 2009. The revenge of the market on the rentiers: why neo-liberal reports of the end of history turned out to be premature, *Cambridge Journal of Economics*, vol. 33(4), 829–869.

The Financial Crisis Inquiry Commission 2011. *The Financial Crisis Inquiry Report: Final Report of the National Commission on the Causes of the Financial and Economic Crisis in the United States*, Washington, DC: U.S. Government Printing Office.

3)The role of inequality in the financial crisis

- (i) Income dispersion and the supply of CDOs
- (ii) Wealth concentration and the demand for CDOs
- (iii) The primacy of inequality as the structural cause of the crisis

Suggested reading:

Goda, T and Lysandrou, P (2014), The contribution of wealth concentration to the subprime crisis: A quantitative estimation, *Cambridge Journal of Economics*

Kumhof, M., and Ranciere, R. 2010. 'Inequality, Leverage and Crises', Working Paper, No. 10/268, IMF.

Lysandrou, P. 2011. Global inequality as one of the root causes of the financial crisis: a suggested explanation, *Economy and Society*, vol. 40(3), 323-344.

Rajan, R. 2010. *Fault Lines. How Hidden Fractures Still Threaten the World Economy*, Princeton, Princeton University Press.

Stockhammer, E. 2012. 'Rising Inequality as a root cause of the present crisis', Working Paper, No. 282, University of Massachusetts (PERI).

van Treeck, T. 2013. Did inequality cause the U.S. financial crisis?, *Journal of Economic Surveys*, early online view: DOI: 10.1111/joes.12028.

van Treeck, T., and Sturn, S. 2012. 'Income inequality as a cause of the Great Recession? A survey of current debates', Conditions of Work and Employment Series, No. 39, ILO.