

Money as if Finance Mattered #2

A collaboration of the Institute for New Economic Thinking (INET) and the University of Manchester (Initiative for Global Law and Political Economy, Law and Technology Initiative, and Political Economy Centre)

Time: 8-11 July 2025
Location: [Williamson Building 4.07](#), University of Manchester, 176 Oxford Rd, Manchester M13 9QQ, United Kingdom
Zoom: <https://nyu.zoom.us/j/7164148389>
Whatsapp group: <https://chat.whatsapp.com/BrSiNQgcZEb7ZS7NBg8OWx>

Introduction

Approaches to money and finance in economics typically discount core dynamics: monetary models often abstract from finance (e.g., monetarist or new Keynesian), while financial models tend to ignore the temporal and structural role of money (e.g., Wicksellian traditions). When money is addressed, it is frequently framed in narrowly domestic terms that privilege fiat authority while overlooking international constraints—or, conversely, in global terms that neglect the institutional capacities of governments and banking systems.

In this context, *Money as if Finance Mattered* workshop series focuses on developing a credit **money approach that** moves away from representative agent models and sectoral aggregates toward modeling a liquidity based hierarchy of **dynamic, time-indexed balance sheets**, positioned within interlocking relations dominated by settlement constraint.

Central focus of the workshop revolves around:

1. **Balance sheet relations and interactions:** Financial obligations span agents and institutions, creating layered dependency structures that amplify stress and redistribute liquidity pressures.
2. **Endogenous risk:** Risk emerges within the system as liquidity mismatches grow during expansions. Crises are triggered when settlement constraints bind and positions become non-viable.
3. **Monetary hierarchy and design:** Monetary systems are institutionally stratified. Issuance power, access to settlement, and liquidity support are unequally distributed—both within and across borders.
4. **Reflux dynamics:** Money issuance entails a corresponding need for settlement. Circulation is both driven and constrained by the mechanisms that extinguish liabilities.

This session applies this lens across five domains:

1. The **nature of money and financial instruments**, and their entanglement with the non-financial economy;
2. **Debt** management, with specific attention to **sovereign issuance and public finance**;
3. The architecture of **FX markets, swap arrangements**, and **eurodollar-based liquidity**;
4. The system-wide effects of **derivatives, shadow banking**, and **synthetic instruments**;
5. The operational space of **monetary and fiscal policy**, including its potential and limits.

Format

This workshop will invite young scholar participants to submit a set of questions regarding the current state of monetary and financial analysis as they apply it in their research. These will be shared with speakers who will in turn prepare talks that address foundations of economic analysis and the potential ways to develop it in the future to take a more coherent account of money and finance. The speakers will share literature that will relate to their talks ahead of the workshop and this will be obligatory reading for all of the participants. The workshop will include an opening session where participants will comment upon the questions, talks by speakers with extensive Q&A portions, and a final session where participants will discuss the takeaways of the workshop.

Programme

Day One (Tuesday, July 8)

0930-1000 Coffee
1000-1145 Welcome and Young Scholar introductions
1145-1245 Catered Lunch
1245-1300 Coffee
1300-1430 Lecture 1 - Jan Toporowski
1445-1615 Lecture 2 - Claudio Borio
1615-1630 Coffee
1630-1800 Lecture 3 - Perry Mehrling
1815-Dinner ([Kro Bar](#) - Buffett Style)

Day Two (Wednesday, July 9)

0900-0930 Coffee
0930-1100 Lecture 4 - Jo Michell
1115-1245 Panel – Jamee Moudud
1245-1400 Catered Lunch and Coffee
1400-1530 Lecture 5 - Giuseppe Fontana
1530-1545 Coffee
1545-1700 Lecture 7 - Perry Mehrling
Dinner: There is no formal dinner plan. Suggestions for colleagues:

- [Mackie Mayor](#) (converted factory in city centre with multiple food stalls): Smithfield Market Hall, 1 Eagle St, Manchester M4 5BU, United Kingdom
- [Tai Wu](#) (authentic Chinese restaurant near university): 81-97 Upper Brook St, Manchester M13 9TX, United Kingdom

Day Three (Thursday, July 10)

0930-1000 Coffee

1000-1130 Lecture 8 - Giuseppe Fontana

1130-1300 Lunch

1300-1430 Lecture 9 - Jo Michell

1430-1445 Coffee

1445-1645 Lecture 10 - Robert McCauley

1700-1800 Small Drinks Reception (Kro Bar)

Day Four (Friday, July 11)

1000-1200 Session 1 - Question focused discussion

1300-1315 Coffee

1315-1500 Session 2 - Project focused discussion

Supplemental Workshop Materials

Michell, Jo. "Speculation, financial fragility and stock-flow consistency." *The Great Recession and the contradictions of contemporary capitalism*. Edward Elgar Publishing, 2014. 112-133.

Jump, Rob Calvert, and Jo Michell. "Dollar liquidity, financial vulnerability and monetary sovereignty." *Development and Change* 54.5 (2023): 1087-1113.

Michell, Jo. "Theorising non-bank financial intermediation." *Review of Keynesian Economics* 12.2 (2024): 181-196.

Michell, Jo. "Do shadow banks create money? Financialisation and the monetary circuit." *Metroeconomica* 68.2 (2017): 354-377.

Fontana, Giuseppe. "Post Keynesians and Circuitists on money and uncertainty: an attempt at generality." *Journal of Post Keynesian Economics* 23.1 (2000): 27-48.

Fontana, Giuseppe. "Post Keynesian approaches to endogenous money: a time framework explanation." *Review of political economy* 15.3 (2003): 291-314.

Fontana, Giuseppe, Riccardo Realfonzo, and Marco Veronese Passarella. "Monetary economics after the global financial crisis: what has happened to the endogenous money theory?." *European Journal of Economics and Economic Policies* 17.3 (2020): 339-355.

Canelli, Rosa, Giuseppe Fontana, and Riccardo Realfonzo. "The Monetary Circuit Theory, Financialisation and the Rise of the Non-Bank Financial Intermediaries." *Review of Political Economy* (2025): 1-16.

Borio, Claudio, Robert McCauley, and Patrick McGuire. "Dollar debt in FX swaps and forwards: huge, missing and growing." *BIS Quarterly Review* 05 (2022).

Borio, Claudio. "Back to the future: Intellectual challenges for monetary policy." *Economic Papers: A journal of applied economics and policy* 40.4 (2021): 273-287.
Borio, Claudio, and Piti Disyatat. "Monetary and Fiscal Policy: Privileged powers, entwined responsibilities." *SUERF Policy Note* 238 (2021).
Borio, Claudio. "On money, debt, trust, and central banking." *Cato J.* 39 (2019): 267.
Borio, Claudio EV. *Whither inflation targeting as a global monetary standard?*. Bank for International Settlements, Monetary and Economic Department, 2024.

Michael Bordo & Robert N McCauley - *Miran, we're not in Triffin land anymore*

[Miran, we're not in Triffin land anymore | CEPR](#)

Robert N McCauley - *Avoiding Kindleberger's Trap*

<https://www.ft.com/content/67616e19-9827-47d7-a4e0-ccaf344b7f57>

Robert N McCauley - *Will a 'user fee' on US Treasuries actually work?*

<https://www.ft.com/content/71fbd39e-dab4-471b-917d-c524e4ee3cef>

Robert N McCauley - *A golden opportunity to reduce US government debt?*

<https://www.ft.com/content/6516d473-9dd5-4b1b-a032-42cb7d37c4a8>

Mehrling, Perry. Chapter 1 of *Money View Primer*

Mehrling, Perry. Chapter 2 of *Money View Primer*

Mehrling, Perry. Chapter 3 of *Money View Primer*

Toporowski, Jan. *Monetary Policy and Illiquidity* (INET Working paper)

Toporowski, Jan. Chapter 5 of *Interest and Capital: The monetary economics of Michał Kalecki*

Toporowski, Jan. Chapter 12 of *Interest and Capital: The monetary economics of Michał Kalecki*

Google drive with all of the articles can be found here:

https://drive.google.com/drive/folders/18hkIQeV3c_mfQE4D5HlqkcjnxpoUav86?usp=sharing

Lecture and discussion recordings from the first workshop can be found here:

Recordings from Money as if Finance Mattered - Workshop January 2025

Perry Mehrling - *Money view of Heterodoxy* (Jan 10, 2025)

https://nyu.zoom.us/rec/share/VnPCwOsp3vTIGjdrZoD6jzEq41w8v44kkQL2kNfwvSV6_yrYMkgQhA9RKcEq3sO7.wZuhytfbQ0v3IEP7?startTime=1736449741000

Jan Toporowski - *Kalecki and the critique of monetary business cycle* (Jan 10, 2025)

https://nyu.zoom.us/rec/share/Uj-TI6zvomfV8JgzDH5ExTZ7jkhtITc0oK1TpFIUIQpuC5mUK-_0s5Q3dPPEan1N.b8clAQyP6m-nY_Rf?startTime=1736500497000

Riccardo Bellofiore - *Augusto Graziani and the theory of monetary circuit* (Jan 10, 2025)

https://nyu.zoom.us/rec/share/TMJ7pBjArBDXxChdydPUXHjQRI2EQdzHjh65t3G4HcoxUnw7ICMYV5qvu8N5iJiM.066ylwrwJsQ_1Q0V

Perry Mehrling - Money View as minority view (Jan 10, 2025)

https://nyu.zoom.us/rec/share/Q4AhldWbWyVHjAhYZ41bZBR0ez1C3UFkUDgXQQs_ZZytCK-u_mAMGT_OvdTZRPc.A1G4MYriWDBu86ll

Jan Toporowski - Kalecki and the critique of monetary business cycle (Jan 11, 2025)

https://nyu.zoom.us/rec/share/dGOxwhhm7srMwNF2lj5y2YloESn2myCOXtETrR8OOR7hq62SvzUNilhDYDN0Oy_b.iWzlhsg3V7aTzLlz

Riccardo Bellofiore - Alternative approaches within the theory of monetary circuit (Jan 11, 2025)

https://nyu.zoom.us/rec/share/8d4ECgiPQUJdyunK435Xwtz_IJglYLB3U4YU633OZPVu5agTGQIP_8wmnWSy6tbl.lqCJ_oNqwt00Vy5y

Perry Mehrling - Dynamics of Global Credit (Jan 11, 2025)

https://nyu.zoom.us/rec/share/m_eH911UrOzScWaib-0dLg1GQOM94iR_XmWZiBLE8Fvt8V6sqsz0Qr14xsOYiBh.kKhBgpEdFgeGFnNa

Perry Mehrling - The prices of Money (Jan 12, 2025)

https://nyu.zoom.us/rec/share/6CIOTlqL_LqLuMFZtRQMaAwWvAQNx93-FJ-PtitEoQsH9f4BszmZrnxBriJXMSu6.kEOVC4i15Kw2IS5y

General readings

1. Schumpeter, J.A.S. History of Economic Analysis Chapter 8 on 'Money, Credit and Cycles'.
2. Ortiz, G. 'Inflation Targeting' IMF 2008
3. Chick, V. 'The Evolution of the Banking System and the Theory of Saving, Investment and Interest' Économies et Sociétés Série MP no. 3 1986 Arestis and Dow (eds.) On Money, Method and Keynes, Selected Essays of Victoria Chick 1992.
4. Toporowski, J. Interest and Capital The Monetary Economics of Michał Kalecki Oxford 2022
5. Toporowski, Jan. "What Keynes learned from Kalecki—a brief introduction to the fiscal theory of debt management." Monetary Economics, Banking and Policy. Routledge, 2022. 90-102.
6. Toporowski, J. 'Anwar Shaikh and the classical theory of interest: a critical note' Cambridge Journal of Economics vol. 44 no. 2, March 2020 pp. 465-474.
7. Bellofiore, R., 'The monetary aspects of the capitalist process in the Marxian system: an investigation from the point of view of the theory of the monetary circuit' in Marx's Theory of Money: Modern Appraisals 2005
8. Bellofiore, R. 'Money and development in Schumpeter' 1985
9. Godley, W., and Lavoie, M. Monetary Economics 2012, Introduction, chapters 1-4.
10. Grahl, John, and Photis Lysandrou. "Dollarization of the eurozone." New Left Review 125 (2020): 19-33.

11. Mehrling, Perry. "Payment vs. funding: The law of reflux for today." *Monetary Economics, Banking and Policy*. Routledge, 2022. 103-118.
12. Mehrling, Perry. "The inherent hierarchy of money." *Social fairness and economics*. Routledge, 2013. 409-419.
13. Avdjiev, Stefan, Robert N. McCauley, and Hyun Song Shin. "Breaking free of the triple coincidence in international finance." *Economic Policy* 31.87 (2016): 409-451
14. McCauley, Robert N. "The global domain of the dollar: Eight questions." *Atlantic Economic Journal* 48.4 (2020): 421-429.
15. McCauley, Robert N. "Bond Market Crises and the International Lender of Last Resort." *Fault Lines After COVID-19: Global Economic Challenges and Opportunities*. Cham: Springer Nature Switzerland, 2023. 261-277