

Political Theory of Finance Readings

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Week 1 – Introduction to the Political Theory of Finance

Required Reading

Boudewijn de Bruin, Lisa Herzog, Martin O'Neill, and Joakim Sandberg, "The Philosophy of Money and Finance," *Stanford Encyclopedia of Philosophy*, <https://plato.stanford.edu/entries/money-finance/>

Michael McLeay, Amar Radia, and Ryland Thomas, 2014, "Money Creation in the Modern Economy," *Bank of England Quarterly Bulletin*, Q1: 14–27. <https://www.bankofengland.co.uk/quarterly-bulletin/2014/q1/money-creation-in-the-modern-economy>

Week 2 – Foundations: The History of Debates About Finance

Required Reading

Alexander X. Douglas, *The Philosophy of Debt* (Routledge 2015), Part I and II

Suggested Reading

Aristotle, *Politics*, Book I.8-10 (on money-making)

Aquinas, *Summa Theologica*, "Of the Sin of Usury"

Jeremy Bentham, "Defense of Usury"

James J. Angel and Douglas M. McCabe, 2009, "The Ethics of Speculation", *Journal of Business Ethics*, 90(supp. 3): 277–286.

Week 3 – Foundations: Money, Credit, and the State

Required Reading

Alexander X. Douglas, *The Philosophy of Debt*, Part III and IV

Suggested Reading

Geoffrey Ingham, *The Nature of Money* (Polity Press, 2004)



Karl Marx, *Das Kapital*, Chapters 26, 31, “The Secret of Primitive Accumulation,” “Genesis of the Industrial Capitalist”

Karl Polanyi, *The Great Transformation*, Chapters 16, 17, and 18, “Market and Productive Organization,” “Self-Regulation Impaired,” “Disruptive Strains”

Week 4 – The Right to Access Credit Markets

Required Reading

Marco Meyer, 2018, “The Right to Credit,” *Journal of Political Philosophy*, 26(3): 304–326.

Joshua Preiss, 2018, “Did we trade freedom for credit? Finance, domination, and the political economy of freedom.” *European Journal of Political Theory*, online first.

Suggested Reading

Matthew Haigh and James Hazelton, 2004, “Financial Markets: A Tool for Social Responsibility?,” *Journal of Business Ethics*, 52(1): 59–71.

Marek Hudon, 2009, “Should Access to Credit be a Right?,” *Journal of Business Ethics*, 84: 17-28.

Week 5 - Structural Injustice in Credit Markets

Required Reading

Lisa Herzog, 2017, “What Could be Wrong with a Mortgage? Private Debt Markets from a Perspective of Structural Injustice,” *Journal of Political Philosophy*, 25(4): 411–434.

Abbye Atkinson, 2019, “Rethinking Credit as Social Provision,” *Stanford Law Review* 71(5): 1096-1162.

Suggested Reading

Johnna Montgomerie and Mirjam Büdenbender, 2015, “Round the Houses: Homeownership and Failures of Asset-Based Welfare in the United Kingdom,” *New Political Economy*, (20)3: 386-405. (or read this blog post on the same topic: <https://blogs.lse.ac.uk/politicsandpolicy/homeownership-and-the-failures-of-asset-based-welfare/>)

Johnna Montgomery, *Should We Abolish Household Debts?* (Polity Press, 2019).

Govind Persad, 2018, “Distributive Justice and the Relief of Household Debt”, *Journal of Political Philosophy*, 26(3): 327–343.



Sigrídur Thorgeirsdóttir, 2015, “Dependency and Emancipation in the Debt-Economy: Care-Ethical Critique of Contractarian Conceptions of the Debtor-Creditor Relation”, *Hypatia*, 30(3): 564–579.

Week 6 – Reading Week

Week 7 – The 2008 Financial Crisis

Required Reading

Mark Blyth, *Austerity: The History of a Dangerous Idea* (Oxford University Press 2013), chapters 2 and 3

Ryan Cooper, “The Quiet Authoritarianism of the Bank Bailout,” *The Week*, <https://theweek.com/articles/797114/quiet-authoritarianism-bank-bailout>

Suggested Reading

Anat Admati, “It Takes a Village to Maintain a Dangerous Financial System.” In Lisa Herzog (ed.) *Just Financial Markets: Finance in a Just Society*. (Oxford University Press, 2017).

Boudewijn de Bruin, 2015, *Ethics and the Global Financial Crisis. Why Incompetence is Worse than Greed*, Cambridge: Cambridge University Press.

Jeffery Friedman and Wladimir Kraus, 2011, *Engineering the Financial Crisis: Systemic Risk and the Failure of Regulation*, Philadelphia: University of Pennsylvania Press.

Adam Tooze, *Crashed: How a Decade of Financial Crisis Changed the World* (Penguin, 2019)

Midwest Studies in Philosophy, 2018, “Special Issue: Moral Responsibility and the Financial Crisis” 42(1): 1-319.

Week 8 – Systemic Risk

Required Reading

Jakob Moggia, 2019, “Moral Responsibility for Systemic Financial Risk,” *Journal of Business Ethics*, online.



Aaron James, 2017, “The Distinctive Significance of Systemic Risk”, *Ratio Juris*, 30(3): 239–258.

Suggested Reading

Daron Acemoglu, Asuman Ozdaglar and Alireza Tahbaz-Salehi, 2015, “Systemic Risk and Stability in Financial Networks,” *The American Economic Review* 105(2): 564-608.

Anat Admati and Martin Hellwig, 2019, “Bank Leverage, Welfare, and Regulation,” *Rock Center for Corporate Governance at Stanford University Working Paper No. 235*

John Linarelli, 2017, “Luck, Justice and Systemic Financial Risk,” *Journal of Applied Philosophy*, 34(3): 331–352.

Week 9 – Central Banks

Required Reading

Peter Dietsch, 2017, “Normative Dimensions of Central Banking: How the Guardians of Financial Markets Affect Justice”, in In Lisa Herzog (ed.) *Just Financial Markets: Finance in a Just Society*. (Oxford University Press, 2017).

Jens van 't Klooster, 2020, “The Ethics of Delegating Monetary Policy,” *The Journal of Politics* 82:2, 587-599.

Suggested Reading

Peter Dietsch, François Claveau, and Clément Fontan, 2018, *Do Central Banks Serve the People?* (Polity Press, 2018).

José Fernández-Albertos, 2015, “The Politics of Central Bank Independence,” *Annual Review of Political Science* 18(1): 217-237.

Clément Fontan, François Claveau, and Peter Dietsch, P, 2016, “Central banking and inequalities: Taking off the blinders.” *Politics, Philosophy & Economics* 15(4): 319-357.

Jens Van't Klooster, 2018, “Central Banking in Rawls’s Property-Owning Democracy,” *Political Theory* 47(5): 647-698.

Paul Tucker, *Unelected Power: The Quest for Legitimacy in Central Banking and the Regulatory State* (Princeton University Press, 2018).



Week 10 – From Cryptocurrencies to Public Banking

Required Reading

Stefan Eich, "Old Utopias, New Tax Havens: The Politics of Bitcoin in Historical Perspective," in *Regulating Blockchain: Techno-Social and Legal Challenges*, ed. P. Hacker, I. Lianos, G. Dimitropoulos, and S. Eich (Oxford University Press, 2019).

Robert Hockett and Saule T. Omarova, 2017, "The Finance Franchise", *Cornell Law Review*, 102: 1143–1218.

Suggested Reading

Friedrich Hayek, 1978, 'The Denationalization of Money: An Analysis of the Theory and Praxis of Concurrent Currencies [1978]' in *Good Money, Part II. The Collected Works of F. A. Hayek*, edited by Stephen Kresge (Volume 6, University of Chicago Press 1999).

Robert C. Hockett. 2019. "Money's Past is Fintech's Future: Wildcat Crypto, the Digital Dollar, and Citizen Central Banking," 2 *Stanford Journal of Blockchain Law & Policy*.

Octavian Nica, Karolina Piotrowska and Klaus Reiner Schenk-Hoppé, 2017, "Cryptocurrencies: Economic Benefits and Risks" (October 26, 2017). University of Manchester, FinTech working paper no. 2, available at SSRN: <https://ssrn.com/abstract=3059856>

De Filippi Primavera and Loveluck Benjamin, 2016, "The Invisible Politics of Bitcoin: Governance Crisis of a Decentralized Infrastructure" 5(3) *Internet Policy Review*.

Morgan Ricks, John Crawford, Lev Menand, 2020, "FedAccounts: Digital Dollars," Vanderbilt Law Research Paper 18-33, UC Hastings Research Paper No. 287, *George Washington Law Review*, Forthcoming, Available at SSRN: <https://ssrn.com/abstract=3192162>

Week 11 - Finance and Debt from a Global Perspective

Required Reading

Lisa Herzog, 2019, "Global Reserve Currencies from the Perspective of Structural Global Justice: Distribution and Domination," *Critical Review of International Social and Political Philosophy*, online first.

Gabriel Wollner, 2018, "Morally Bankrupt: International Financial Governance and the Ethics of Sovereign Default", *Journal of Political Philosophy*, 26(3): 344–367.



Suggested Reading

Christian Barry, 2011, “Human Rights Conditionality in Sovereign Debt Relief”, *Journal of Political Philosophy*, 19(3): 282–305.

Christian Barry and Lydia Tomitova, 2007, “Fairness in Sovereign Debt,” *Ethics & International Affairs*, 21(S1), 41-79.

Ethics & International Affairs, 2003, “Roundtable: Dealing Justly With Debt,” 17(2): 1-33.

Oisín Suttle, 2019, “Debt, Default, and Two Liberal Theories of Justice,” *German Law Journal*, 17(5), 799-834.

Gabriel Wollner, 2014, “Justice in Finance: The Normative Case for an International Financial Transactions Tax”, *Journal of Political Philosophy*, 22(4): 458–485.

