

[Home](#) > [Financial Crises and the Nature of Capitalist Money](#) > Chapter

Credit Money, Fiat Money and Currency Pyramids: Reflections on the Financial Crisis and Sovereign Debt

| Chapter

| pp 248–272 | [Cite this chapter](#)



Financial Crises and the Nature of Capitalist Money

[Bob Jessop](#)

 599 Accesses  7 Citations

Abstract

One issue in the debate over the origins and dynamics of the North Atlantic Financial Crisis (or NAFC) and its wider but uneven contagion effects is the significance of financialisation. While this is sometimes discussed in terms of a conflict between the ‘real economy’ and the financial economy (for example, Main Street versus Wall Street, Industry versus the City), this is misleading because the real economy in capitalism inevitably depends on monetary and financial intermediation. The opposition, if it exists, must arise elsewhere. One approach reinterprets this conflict directly in terms of the economic and political sociology of different fractions of capital, their social bases, material and ideal interests, and

relation to political society and the state. This approach is explicit in Geoff Ingham's 1984 study of the City of London and industrial capital in Britain. Another approach addresses the conflict indirectly in terms of the changing articulation of the forms, functions, and hierarchies of money and how they operate both separately and together in (dis)connecting the circuits of capital in the world market. This articulation operates behind the backs of economic agents, potentially disrupting the best-laid plans of different fractions, with different outcomes in different periods. This is implicit in Geoff Ingham's work on money as a social relation, its changing role in financing state activities and entrepreneurial innovation, its role in power struggles and economic conflicts, and the role of credit-money in the recent crisis (Ingham 2004, 2011).

 This is a preview of subscription content, [log in via an institution](#)  to check access.

Access this chapter

[Log in via an institution](#) 

Subscribe and save

Springer+

from €37.37 /Month

- Starting from 10 chapters or articles per month
- Access and download chapters and articles from more than 300k books and 2,500 journals
- Cancel anytime

[View plans](#) 

Buy Now

 **Chapter**

EUR 29.95

Price includes VAT (Poland)

 **eBook**

EUR 85.59

Price includes VAT (Poland)

- Available as PDF
- Read on any device

- Available as EPUB and PDF
- Read on any device

- Instant download
- Own it forever

- Instant download
- Own it forever

[Buy Chapter](#) →

[Buy eBook](#) →

^ **Softcover Book** **EUR 106.99**
Price includes VAT (Poland)

^ **Hardcover Book** **EUR 106.99**
Price includes VAT (Poland)

- Compact, lightweight edition
- Dispatched in 3 to 5 business days
- Free shipping worldwide - [see info](#)

- Durable hardcover edition
- Dispatched in 3 to 5 business days
- Free shipping worldwide - [see info](#)

[Buy Softcover Book](#) →

[Buy Hardcover Book](#) →

Tax calculation will be finalised at checkout

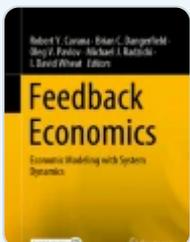
Purchases are for personal use only

[Institutional subscriptions](#) →

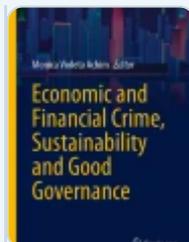
Preview

Unable to display preview. [Download preview PDF.](#)

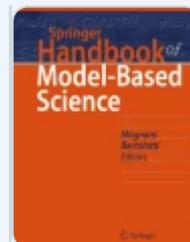
Similar content being viewed by others



Policy Responses to Sovereign Debt Induced



Effects on the Economic and Sustainable Development and on the Poverty and Social



Modeling in the Macroeconomics of Financial

Explore related subjects

Discover the latest articles, books and news in related subjects, suggested using machine learning.

[Cultural Economics](#)

[Economic Sociology](#)

[Political and Economic Anthropology](#)

[Political Economy and Economic Systems](#)

[Sociology of the Financial Market](#)

[Macroeconomics and Monetary Economics](#)

[Economic Sociology of Financial Markets](#)

References

Aglietta, M. (1987) *La fin des devises-clés: essai sur la monnaie*. Paris: Découverte.

[Google Scholar](#)

Amato, M. and Fantacci, L. (2011) *The End of Finance*. Cambridge: Polity.

[Google Scholar](#)

Arnon, A. (2011) *Monetary Theory and Policy from Hume and Smith to Wicksell*. Cambridge: Cambridge University Press.

[Google Scholar](#)

Bell, S. (2001) 'The Role of the State and the Hierarchy of Money', *Cambridge Journal of Economics*, 25, 149-63.

[Article](#) [Google Scholar](#)

Bichler, S. and Nitzan, J. (2004) *Capital as Power*. London and New York:

Routledge.

[Google Scholar](#)

Bryan, R. and Rafferty, B. (2006) *Capitalism with Derivatives: a Political Economy of Financial Derivatives, Capital and Class*. Basingstoke and New York: Palgrave Macmillan.

[Google Scholar](#)

Brunhoff, S. de (1998) 'Money, Interest and Finance in Marx's Capital', in R. Bellofiore (ed.), *Marxian Economics: a Reappraisal. Essays on Volume III of Capital*. Basingstoke and New York: Macmillan.

[Google Scholar](#)

Carneiro, R. de Medeiros, Chiliatto-Leite, M. V., Santos Mello, G., and Rossi, P. (2012) 'The Fourth Dimension: Derivatives in a Capitalism with Financial Dominance'. Paper presented at International Initiative on Political Economy Conference, Paris, 6 July 2012, http://www.assoekonomiopolitique.org/political-economy-outlook-for-capitalism/wp-content/uploads/2012/06/Fourth-Dimension_version-Paris.pdf. Accessed 30 November 2012.

Carchedi, G. (2011) 'Behind and Beyond the Crisis', *International Socialism Journal*, 132, 121-55. Available online at <http://www.isj.org.uk/index.php4?id=761&issue=132>.

[Google Scholar](#)

Clarke, S. (1994) *Marx's Theory of Crisis*. Basingstoke and New York: Macmillan.

[Book](#) [Google Scholar](#)

Elson, D. (1979) 'The Value Theory of Labour' in *idem* (ed.), *Value: the Representation of Labour in Capitalism*. London: CSE Books.

Epstein, G. A. (2005) 'Introduction: Financialization and the World Economy', in *idem* (ed.), *Financialization and the World Economy*. Cheltenham and Northampton, MA: Edward Elgar.

[Google Scholar](#)

Gowan, P. (1999) *The Global Gamble: Washington's Faustian Bid for World Dominance*. London: Verso.

[Google Scholar](#)

Haldane, A. (2012) 'The Doom Loop', *London Review of Books*, 34(4), 21-2.

[Google Scholar](#)

Ingham, G. K. (1984) *Capitalism Divided? The City and Industry in British Social Development*. Basingstoke and New York: Macmillan.

[Book](#) [Google Scholar](#)

Ingham, G. K. (2003) 'Schumpeter and Weber on the Institutions of Capitalism: Solving Swedberg's "Puzzle"', *Journal of Classical Sociology*, 3, 297-309.

[Article](#) [Google Scholar](#)

Ingham, G. K. (2004) *The Nature of Money*. Cambridge: Polity.

[Google Scholar](#)

Ingham, G. K. (2008) *Capitalism*, 1st edn. Cambridge: Polity.

[Google Scholar](#)

Ingham, G. K. (2011) *Capitalism*, 2nd edn. Cambridge: Polity.

[Google Scholar](#)

Jessop, B. (2002) *The Future of the Capitalist State*. Cambridge: Polity.

[Google Scholar](#)

Jessop, B. (2013a) 'The North Atlantic Financial Crisis and Varieties of Capitalism: A Minsky moment and/or a Marx moment? And perhaps Weber too?', in S. Fadda and P. Tridico (eds), *Financial Crisis, Labour Markets and Institutions*. London and New York: Routledge.

[Google Scholar](#)

Jessop, B. (2013b) 'Revisiting the Regulation Approach: Critical Reflections on the Contradictions, Dilemmas, Fixes, and Crisis Dynamics of Growth Regimes', *Capital & Class*, 37(1), 5-24.

[Article](#) [Google Scholar](#)

Keynes, J. M. (1930) *A Treatise on Money*. London: Macmillan.

[Google Scholar](#)

Knapp, G. F. (1924) *The State Theory of Money*, translated from 4th German edn published 1923. London: Macmillan.

[Google Scholar](#)

Krätke, M. R. (1985) *Die Kritik der Staatsfinanzen: Zur politischen Ökonomie des Steuerstaats*. Hamburg: VSA Verlag.

[Google Scholar](#)

Krätke, M. R. (2005) Critique of Public Finance-the Fiscal Crisis of the State Revisited. http://www.theseis.com/synedrio/05_a_Kraetke.pdf, accessed 11 November 2012.

Krätke, M R. (2011) Marx and Marxists on Money and Credit. Lancaster: unpublished paper.

[Google Scholar](#)

Krippner, G. R. (2005) 'The Financialization of the American Economy', *SocioEconomic Review*, 3, 173-208.

[Article](#) [Google Scholar](#)

Krul, M. (2010) 'Marx and Monetary Theory', *Notes & Commentaries*, <http://mccaine.org/2010/12/19/marx-and-monetary-theory/>. Accessed 11 November 2012.

Lapavitsas, C. (2012) *Crisis in the Eurozone*. London: Verso.

[Google Scholar](#)

Lebowitz, M. (2003) *Beyond Capital: Marx's Political Economy of the Working Class*, 2nd edn. Basingstoke and New York: Palgrave Macmillan.

[Book](#) [Google Scholar](#)

McNally, D. (2011) 'Marx, Marxists and the Financial Forms of the Crisis', *International Journal of Management Concepts and Philosophy*, 5, 112-17.

[Article](#) [Google Scholar](#)

Marx, K. (1967a) *Capital, vol. 1*, 3rd edn. London: Lawrence & Wishart; first published 1883.

Marx, K. (1967b) *Capital, vol. 2*. London: Lawrence & Wishart; first published 1893.

[Google Scholar](#)

Marx, K. (1967c) *Capital, vol. 3*. London: Lawrence & Wishart; first published 1894.

[Google Scholar](#)

Marx, K. (1969) *Theories of Surplus Value, Part II*. London: Lawrence & Wishart; first published 1962-3.

[Google Scholar](#)

Marx, K. (1970) *Contribution to the Critique of Political Economy*. London: Lawrence & Wishart; first published 1859.

[Google Scholar](#)

Marx, K. (1972) *Theories of Surplus Value, Part III*. London: Lawrence & Wishart; drafted 1862-3.

[Google Scholar](#)

Marx, K. and Engels, F. (1976) *The German Ideology*, in *idem, Marx-Engels Collected Works, vol. 5*. London: Lawrence & Wishart; drafted 1845-6.

[Google Scholar](#)

Meacci, F. (1998) 'Fictitious Capital and Crises', in R. Bellofiore (ed.), *Marxian Economics: A Reappraisal, Vol. 1*. New York and Basingstoke: Macmillan.

[Google Scholar](#)

Park, H. W. (2010) 'Endogeneity of Money and the State in Marx's Theory of Non-commodity money', http://www.peri.umass.edu/fileadmin/pdf/conference_papers/newschool/Park_2010._noncommodity_money.pdf. Accessed 11 November 2012.

[Google Scholar](#)

Perelman, M. (1977) *Marx's Crises Theory. Scarcity, Labor and Finance*. New York: Praeger.

[Google Scholar](#)

Pepperell, N. (2010) *Disassembling Capital*. PhD Dissertation, RMIT University, Melbourne.

[Google Scholar](#)

Polanyi, K. (1957) *The Great Transformation: The Political and Economic Origins of our Time*. Boston, MA: Beacon Press; first published 1944.

[Book](#) [Google Scholar](#)

Postone, M. (1993) *Time, Labor and Social Domination*. New York and Cambridge: Cambridge University Press.

Rasmus, J. (2010) *Epic Recession: Prelude to the Great Depression*. London: Pluto.

[Google Scholar](#)

Strange, S. (1971a) *Sterling and British Policy: A Political Study of a Currency in Decline*. London: Oxford University Press.

[Google Scholar](#)

Strange, S. (1971b) 'The Politics of International Currencies', *World Politics*, 23, 215-31.

[Article](#) [Google Scholar](#)

Stemmet, F. (1996) *The Golden Contradiction: A Marxist Theory of Gold*. Aldershot: Ashgate.

[Google Scholar](#)

Triffin, R. (1961) *Gold and the Dollar Crisis: the Future of Convertibility*. New Haven, CT: Yale University Press.

[Google Scholar](#)

Weber, M. (1968) *Economy and Society*. Berkeley: University of California Press; first published 1922.

[Google Scholar](#)

Weber, M. (2009) *General Economic History*. New Brunswick, NJ: Transaction Books; first published 1923.

[Google Scholar](#)

Editor information

Editors and Affiliations

Macquarie University, Australia

Jocelyn Pixley (Honorary Professor in Sociology, Senior Visiting Fellow, IRRC, Faculty of the Australian School of Business, Professorial Research Fellow)

(Honorary Professor in Sociology, Senior Visiting Fellow, IRRC, Faculty of the Australian School of Business, Professorial Research Fellow)

University of New South Wales, Australia

Jocelyn Pixley (Honorary Professor in Sociology, Senior Visiting Fellow, IRRC, Faculty of the Australian School of Business, Professorial Research Fellow) & G. C. Harcourt (Visiting Professorial Fellow in the School of Economics, Faculty of the Australian School of Business, Emeritus Reader in the History of Economic Theory, Professor Emeritus) (Honorary Professor in Sociology, Senior Visiting Fellow, IRRC, Faculty of the Australian School of Business, Professorial Research Fellow) & (Visiting Professorial Fellow in the School of Economics, Faculty of the Australian School of Business, Emeritus Reader in the History of Economic Theory, Professor Emeritus)

Global Policy Institute, London Metropolitan University, UK

Jocelyn Pixley (Honorary Professor in Sociology, Senior Visiting Fellow, IRRC, Faculty of the Australian School of Business, Professorial Research Fellow) (Honorary Professor in Sociology, Senior Visiting Fellow, IRRC, Faculty of the Australian School of Business, Professorial Research Fellow)

Cambridge University, UK

G. C. Harcourt (Visiting Professorial Fellow in the School of Economics, Faculty of the Australian School of Business, Emeritus Reader in the History of Economic Theory, Professor Emeritus) (Visiting Professorial Fellow in the School of Economics, Faculty of the Australian School of Business, Emeritus Reader in the History of Economic Theory, Professor Emeritus)

University of Adelaide, Australia

G. C. Harcourt (Visiting Professorial Fellow in the School of Economics, Faculty of the Australian School of Business, Emeritus Reader in the History of Economic Theory, Professor Emeritus) (Visiting Professorial Fellow in the School of Economics, Faculty of the Australian School of Business, Emeritus Reader in the History of Economic Theory, Professor Emeritus)

Copyright information

About this chapter

Cite this chapter

Jessop, B. (2013). Credit Money, Fiat Money and Currency Pyramids: Reflections on the Financial Crisis and Sovereign Debt. In: Pixley, J., Harcourt, G.C. (eds) Financial Crises and the Nature of Capitalist Money. Palgrave Macmillan, London. https://doi.org/10.1057/9781137302953_14

[.RIS↓](#) [.ENW↓](#) [.BIB↓](#)

DOI	Publisher Name	Print ISBN
https://doi.org/10.1057/9781137302953_14	Palgrave Macmillan, London	978-1-349-45400-6

Online ISBN	eBook Packages
978-1-137-30295-3	Palgrave Economics & Finance Collection
	Economics and Finance (R0)

Keywords

[World Market](#) [Sovereign Debt](#) [Real Money](#) [Credit Money](#) [Fiat Money](#)

These keywords were added by machine and not by the authors. This process is experimental and the keywords may be updated as the learning algorithm improves.

Publish with us

[Policies and ethics](#) [↗](#)

Search

Search by keyword or author



Navigation

[Find a journal](#)

[Publish with us](#)

[Track your research](#)

