

Warrant Economics, Call-Put Policy Options and the Great Recession

Hatgioannides, J. (https://openaccess.city.ac.uk/view/creators_id/j=2Ehatgioannides.html) & Karanassou, M. (2017). Warrant Economics, Call-Put Policy Options and the Great Recession. *Review of Political Economy*,

Abstract

In this paper we aim to address the structural and systemic flaws of modern capitalism that paved the way to the Great Recession. We elaborate on the anatomy and the apparatuses of the neoliberal, highly globalised monopoly-finance mode of resource allocation and price utility. Our main thesis is that, despite the rhetoric praising the merits of unfettered competition, the global fields of a dysfunctional market system have mushroomed in what we term Warrant Economics for the FreeMarket Aristocracy, a power structure of insiders' capitalism. Warrant Economics unfolds in two symbiotic tenets: (i) the systemic creation and preservation of inequality and business concentration via Call-Put policy options, and (ii) the systemic exploitation of inequality via novel and toxic forms of securitisation. We view the income distribution effect, which favours the top 1%, and the business concentration effect, which gravitates competition towards oligopolistic/monopolistic industries, as the two sides of the Warrant Economics coin. We perceive the Great Recession as the inevitable symptom of Warrant Economics, rather than as a low probability event advocated by the majority of orthodox economists.

Publication Type: Article

Additional Information: This is an Accepted Manuscript of an article to be published by Taylor & Francis in Review of Political Economy to be available online:
<http://www.tandf.co.uk/journals/titles/09538259.asp>

Publisher Keywords: Warrant Economics, Call-Put policy options, fiat money, securitisation, monopoly, income distribution, neoliberalism, Great Recession, sovereign debt

Subjects: H Social Sciences (<https://openaccess.city.ac.uk/view/subjects/H.html>) > HG Finance (<https://openaccess.city.ac.uk/view/subjects/HG.html>)

Departments: Bayes Business School (<https://openaccess.city.ac.uk/view/divisions/BBBSCH/>) > Faculty of Finance (<https://openaccess.city.ac.uk/view/divisions/BBFINA/>)



(https://openaccess.city.ac.uk/id/eprint/17906/1/warrant-economics_2014-june_rope.pdf)

Text - Accepted Version

This document is not freely accessible due to copyright restrictions.

To request a copy, please use the button below.

Export

RefWorks ▼

Export

([https://www.addtoany.com/share?](https://www.addtoany.com/share?linkurl=https://openaccess.city.ac.uk/id/eprint/17906&title=Warrant%20Economics,%20Call-Put%20Policy%20Options%20and%20the%20Great%20Recession)
[linkurl=https://openaccess.city.ac.uk/id/eprint/17906&title=Warrant Economics, Call-Put Policy Options and the Great Recession\)](https://openaccess.city.ac.uk/id/eprint/17906&title=Warrant Economics, Call-Put Policy Options and the Great Recession) ([https://www.addtoany.com/add_to/twitter?](https://www.addtoany.com/add_to/twitter?linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant%20Economics,%20Call-Put%20Policy%20Options%20and%20the%20Great%20Recession)
[linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession\)](https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession) ([https://www.addtoany.com/add_to/facebook?](https://www.addtoany.com/add_to/facebook?linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant%20Economics,%20Call-Put%20Policy%20Options%20and%20the%20Great%20Recession)
[linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession\)](https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession) ([https://www.addtoany.com/add_to/linkedin?](https://www.addtoany.com/add_to/linkedin?linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant%20Economics,%20Call-Put%20Policy%20Options%20and%20the%20Great%20Recession)
[linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession\)](https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession) ([https://www.addtoany.com/add_to/pinterest?](https://www.addtoany.com/add_to/pinterest?linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant%20Economics,%20Call-Put%20Policy%20Options%20and%20the%20Great%20Recession)
[linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession\)](https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession) ([https://www.addtoany.com/add_to/email?](https://www.addtoany.com/add_to/email?linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant%20Economics,%20Call-Put%20Policy%20Options%20and%20the%20Great%20Recession)
[linkurl=https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession\)](https://openaccess.city.ac.uk/id/eprint/17906&linkname=Warrant Economics, Call-Put Policy Options and the Great Recession)

Downloads



+ Metadata

- Altmetric

- CORE (COnnecting REpositories)

CORE

City Research Online

Warrant economics, call-put policy options and the fallacies of economic theory

Provided by: EconStor (ZBW Kiel) | **Publisher:** London: Queen Mary University of London, School of Economic Finance | **Year:** 2011

by Hatgioannides John, Karanassou Marika

(https://core.ac.uk/recommender/redirect?url=https://core.ac.uk/display/39374453?source=2&algorithmId=14&similarToDoc=96598851&similarToDocKey=CORE&recSetID=ef74b24e-ab40-410f-9434-35890a0821fa&position=1&recommendation_type=same_repo&otherRecs=39374453,303857406,636675046,42388793,388)

The Great Recession and the Rhetorical Canons of Law and Economics

Provided by: ValpoScholar | **Publisher:** ValpoScholar | **Year:** 2012

by Murray Michael D.

(https://core.ac.uk/recommender/redirect?url=https://core.ac.uk/display/303857406?source=2&algorithmId=14&similarToDoc=96598851&similarToDocKey=CORE&recSetID=ef74b24e-ab40-410f-9434-35890a0821fa&position=2&recommendation_type=same_repo&otherRecs=39374453,303857406,636675046,42388793,388)

European health inequality through the Great Recession: Social policy matters.

Provided by: ODA Open Digital Archive (OsloMET) | **Publisher:** Wiley | **Year:** 2019

by van der Wel Kjetil A., Saltkjel Therese, Chen Wen-Hao, Dahl Espen, Halvorsen Knut

(https://core.ac.uk/recommender/redirect?url=https://core.ac.uk/display/636675046?source=2&algorithmId=14&similarToDoc=96598851&similarToDocKey=CORE&recSetID=ef74b24e-ab40-410f-9434-35890a0821fa&position=3&recommendation_type=same_repo&otherRecs=39374453,303857406,636675046,42388793,388)

Profit Growth in Boom and Bust: The Great Recession and the Great Depression in Comparative Perspective

Provided by: Goldsmiths Research Online | **Publisher:** Oxford University Press | **Year:** 2017

by Ivanova Maria N

(https://core.ac.uk/recommender/redirect?url=https://core.ac.uk/display/42388793?source=2&algorithmId=14&similarToDoc=96598851&similarToDocKey=CORE&recSetID=ef74b24e-ab40-410f-9434-35890a0821fa&position=4&recommendation_type=same_repo&otherRecs=39374453,303857406,636675046,42388793,388)

The Great Recession and the Rhetorical Canons of Law and Economics

Provided by: University of Kentucky | **Publisher:** UKnowledge | **Year:** 2012

by Murray Michael D

(https://core.ac.uk/recommender/redirect?url=https://core.ac.uk/display/388557459?source=2&algorithmId=14&similarToDoc=96598851&similarToDocKey=CORE&recSetID=ef74b24e-ab40-410f-9434-35890a0821fa&position=5&recommendation_type=same_repo&otherRecs=39374453,303857406,636675046,42388793,388)

Actions (login required)



(</cgi/users/home?screen=EPrint%3A%3AView&eprintid=17906>) Admin Login

