



Journal of Post Keynesian Economics >

Volume 35, 2012 - [Issue 2](#)

410 | 20
Views | CrossRef citations to date | Altmetric

Original Article

Finance-dominated capitalism in crisis—the case for a global Keynesian New Deal

Eckhard Hein & Achim Truger

Pages 187-213 | Published online: 10 Dec 2014

Cite this article

Sample our
Economics, Finance,
Business & Industry Journals
 >> [Sign in here](#) to start your access
to the latest two volumes for 14 days

References

Citations

Metrics

Reprints & Permissions

Read this article

Share

Abstract

We analyze the long-run imbalances of finance-dominated capitalism underlying the present crisis, which began in 2007, with a focus on developments in the United States and Germany. We argue that beyond inefficient regulation of the financial sector, the severeness of the present crisis has been mainly caused by increasing inequalities of income distribution and rising imbalances in the world economy associated with finance-dominated capitalism. From this it follows that in the near and not so near future, the United States will no longer be able to act as the driving force for world demand. In order to avoid a period of deflationary stagnation in major parts of the world economy, we finally propose the policy package of a global Keynesian New Deal that should consist of (1) reregulation of the financial sector, (2) reorientation of macroeconomic policies along (post) Keynesian lines, and (3) reconstruction of international macroeconomic policy coordination, in particular on the European level, and a new world financial order.

Keywords:

finance-dominated capitalism

financial crisis

macroeconomic policies

global Keynesian New Deal

Related research

People also read

Recommended articles

Cited by
20

Information for

Authors

R&D professionals

Editors

Librarians

Societies

Opportunities

Reprints and e-prints

Advertising solutions

Accelerated publication

Corporate access solutions

Open access

Overview

Open journals

Open Select

Dove Medical Press

F1000Research

Help and information

Help and contact

Newsroom

All journals

Books

Keep up to date

Register to receive personalised research and resources
by email

 Sign me up

  

  

Copyright © 2026 Informa UK Limited Privacy policy Cookies Terms & conditions

Accessibility



Registered in England & Wales No. 01072954
5 Howick Place | London | SW1P 1WG