



Journal of Economic Issues >

Volume 34, 2000 - [Issue 2: Papers From The 2000 Afee Meeting](#)

56 Views | 7 CrossRef citations to date | 0 Altmetric

Articles

Asia's Financial Crisis, Speculative Bubbles, and Under-Consumption Theory

Jonathan E. Leightner

Pages 385-392 | Published online: 05 Jan 2016

📄 Cite this article 🔗 <https://doi.org/10.1080/00213624.2000.11506277>

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

Asia's Financial Crisis, Speculative Bubbles, and Under-Consumption Theory

Jonathan E. Leightner

One hundred and ten years ago, A. F. Mummery and J. A. Hobson wrote, "the East-end problem, with its concomitants of vice and misery, is traced to its economic cause, and that this economic cause is the most respectable and highly extolled virtue of thrift" [Mummery and Hobson 1889, 99; here after cited just by page number]. During the Asian miracle, economists praised Asia for its high savings rate. In direct contradiction to this previous praise, I will argue that Mummery and Hobson's "under-consumption" or "over-savings" theory explains an important part of the Asian crisis. Furthermore, if Mummery and Hobson are correct, then economists need to make significant modifications to their macroeconomic models and to their policy prescriptions.

Under-Consumption and the Asian Crisis

The core of Mummery and Hobson's Under-Consumption Theory relies upon a realization that consumption (not saving or investment) is the economic force that leads to community prosperity. Here "consumption" means what modern macroeconomists call "final demand sans investment." Thus, "consumption" includes government purchases of final goods and services and exports in addition to the purchases of consumers. The demand for investments, whether in the form of intermediate goods or additional capital, is derived from consumption. If no one buys the additional goods produced from saving/investment, then society has accrued all of

The author is Associate Professor of Economics, Augusta State University. This paper was presented at the annual meeting of the Association for Evolutionary Economics, Boston, Massachusetts, January 6-9, 2000.

Log in via your institution

➤ Access through your institution

Log in to Taylor & Francis Online

Restore content access

➤ [Restore content access for purchases made as guest](#)


Purchase options *

[Save for later](#)

PDF download + Online access

- 48 hours access to article PDF & online version
- Article PDF can be downloaded
- Article PDF can be printed


EUR 48.00

 Add to
cart

Issue Purchase

- 30 days online access to complete issue
- Article PDFs can be downloaded
- Article PDFs can be printed

EUR 90.00

 Add to
cart

* Local tax will be added as applicable

Related Research

People also read

Recommended articles

Cited by
7

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](#)

 Taylor and Francis Group

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