Review of Political Economy

ISSN: 0953-8259 (Print) 1465-3982 (Online) Journal homepage: https://www.tandfonline.com/loi/crpe20

The Stagnation Tendencies of Neoliberalism: A Review Essay

Davide Gualerzi

To cite this article: Davide Gualerzi (2018) The Stagnation Tendencies of Neoliberalism: A Review Essay, Review of Political Economy, 30:1, 84-93, DOI: 10.1080/09538259.2018.1450181

To link to this article: https://doi.org/10.1080/09538259.2018.1450181

REVIEW OF POLITICAL ECONOMY
2018, VOL. 30, NO. 1, 84–93
https://doi.org/10.1080/09538259.2018.1450181

Routledge
Taylor & Francis Group

The Stagnation Tendencies of Neoliberalism: A Review Essay

Davide Gualerzi

University of Padua, Padova, Italy

ABSTRACT

In his 2012 book, *From Financial Crisis to Stagnation*, Thomas Palley argued that the financial crisis of 2008 would be likely to result in a period of long-term stagnation. Both the crisis and the predicted stagnation, Palley argued, were the outcomes of policies pursued since the 1980s; the persistence of those policies explains the stagnation. Underpinning the policies and their consequences are the flaws of the neoliberal macro model and the particular role played by finance in that model. The rejection of Keynesianism meant the abandonment of the commitment to full employment. The neoliberal paradigm rests upon a foundation of 'bad ideas' that are located in political philosophy as much as in economic theory. Palley's argument has a bearing on recent discussions among mainstream macroeconomists, whose interest in secular stagnation has been revived by the 'ongoing crisis'. These discussions have left mostly unanswered the question of the causes of stagnation. The present essay argues that Palley's concept of 'structural Keynesianism' can benefit from a closer association with the analysis of structural transformation and its effects on policy regimes and stagnation tendencies.

ARTICLE HISTORY
Received 1 October 2016
Accepted 7 November 2017

1. Introduction

According to Thomas Palley (2012), the most likely outcome of the latest financial crisis is long-term stagnation. Both the crisis and the anticipated period of stagnation, he argues, are due to the 'faulty US macroeconomic paradigm that has its roots in neoliberalism, which has been the dominant intellectual paradigm' (p. 4).[1] Since the 1980s, neoliberalism has dictated the policies that Palley believes are leading to long-term stagnation. Written a few years ago, the book fits nicely into the debate on what can accurately be called the 'ongoing crisis' and its prospects. What we face, Palley argues, is not a routine cyclical downturn but a new era of long-term decline.

This article aims, first, to highlight Palley's argument linking the crisis to long-term stagnation, and then to show its relevance to the issue of secular stagnation, which has recently been resurrected, most notably by Lawrence Summers, one of the architects of neoliberalism. Interestingly, in some of his remarks Summers goes beyond the narrow focus on the interest rate that has been the defining trait of the mainstream discussions of the crisis, including his own work. To explain the causes of the resurfacing of stagnation

CONTACT Davide Gualerzi davide.gualerzi@unipd.it University of Padua, Padova, Italy

[1]Except where indicated otherwise, cited page numbers refer to Palley (2012).

tendencies, it seems necessary to reconsider the role of technology and structural change. While these are capitalism's creative forces, the structural transformation that has been under way for decades suggests that they are now reinforcing the new tendencies toward stagnation. This focus will enable us to define more sharply the Structural Keynesianism that Palley contrasts with mainstream Keynesianism.

2. The stagnation tendencies embedded in neoliberalism

2.1 The neoliberal macroeconomic model

Neoliberalism is a set of policies that rest upon a theoretical view that combines a neoclassical growth model with the conventional free-trade model of engagement of the US economy with the global economy. This theoretical view helps to explain both the particular role played by finance in the recent crisis, and the form the crisis took. The crisis was, on the one hand, the manifestation of the flaws in the growth model and, on the other hand, the response to the model's structural limitations.

The neoliberal macro model reflects the paradigm shift that led to the abandonment of the Keynesian model and its virtuous circle of growth linking productivity, wage increases and demand. The turn in economic theory and policy was, however, part of a change of intellectual orientation that had its roots in political philosophy. That is the domain in which the fundamental—and we shall see, fundamentally wrong—neoliberal ideas were defined. Indeed, there is more than economic theory to modern neoliberalism. Palley traces these ideas back to the arguments of F. A. Hayek and Milton Friedman on individual freedom and the free market. Those arguments displaced basic Keynesian theory in the 30 years that followed the elections of Ronald Reagan and Margaret Thatcher. The finance-fed expansion of the 2000s hid the progressive dismantling of the demand-generating mechanisms that were put in place during the New Deal. Without a fundamental change of paradigm, the crisis will continue even after the recovery from the Great Recession.

Palley's analysis rests on the interplay of the two components of the macro model, the neoliberal growth model and the model of engagement with the global economy. As we will see, the relationship with the world economy, i.e. globalization, is crucial.

2.2 The domestic and the international dimensions

The dismissal of the Keynesian view of growth meant the abandonment of the commitment to full employment at the level of domestic policy; this was replaced by an exclusive focus on controlling inflation, which severed the link between productivity growth and real wage growth. As Palley writes, 'In place of wage growth as the engine of demand growth, the new model substituted borrowing and assets inflation' (p. 34). But the downward pressure on wages was caused by internal factors (policies that weakened trade unions) and external factors (off-shoring of production and the rise of cheap imports). The continuing pressure on wages was combined with weak recovery of employment in the upswing of the business cycle, giving rise to the phenomenon of jobless recoveries. 'These features,' argues Palley (p. 35), 'have been visible in every US business cycle since 1980.' In sum, workers were subjected to the combined pressures of globalization, small government, labor market flexibility and the deliberate decision to remove full employment from the list of the objectives of economic policy.

The negative effects on wages and employment depend considerably on the kind of engagement US capitalism has had with the world economy. The offshoring of production has been part of a progressive dismantling of US manufacturing in favor of cheap imports. This strategy undermined the generation of demand, destroying the Keynesian virtuous circle and the prospects for shared prosperity in favor of a 'bubble economy' (p. 40). And yet it did work for a number of years, as Palley notes: 'Although prone to instability (boom and bust) the neoliberal growth model might have operated successfully for quite a while longer were it not for a US economic policy that created a flawed engagement with the global economy' (pp. 43–44). This flawed engagement is based on the mechanism linking the crisis of manufacturing, the trade deficit and finance.

The trade policy of the two Clinton administrations created the trade deficit that became a growing and permanent aspect of the US economy. Clinton's trade policy, Palley argues, was part of a larger policy agenda:

> The United States would import from East Asian and other developing economies, provide FDI to those economies, and run large deficits that would provide the demand for the new supply. In return, developing countries would accumulate financial obligations against the United States, principally in the form of Treasury securities. This would provide them with foreign exchange reserves and collateral that was supposed to make investors feel secure. China was to epitomize the new arrangement. (p. 52)

This mechanism entailed three forms of 'leakages' for the US economy: a loss of spending going to imports, a loss of jobs driven by corporate globalization and a loss of new investment.

The unsustainable consequences of the basic mechanism described above were the erosion of US household income and the piling up of unproductive debt. 'The model would likely have eventually slumped because of its internal dynamics,' Palley surmises, but 'the policy triumph of corporate globalization (the model of globalization lobbied for by corporations) accelerated this process and transformed it into a financial crash' (p. 44).

3. The paradoxical role of finance

3.1 The expansion before the crisis of 2008

The growth model was put in place in the 1980s and 1990s. Its negative consequences were fully displayed during the 2001–2007 expansion, which relied on debt and asset price inflation to sustain the growth of demand. The expansion of debt and the asset price bubble in turn help to explain 'why the contradictions of the neoliberal model took so long to surface and why they surfaced in the form of a financial crisis' (p. 57). Finance evolved as a form of compensation, to fill a demand gap that was the most evident shortcoming of the compression of wages brought about by the neoliberal growth model. Finance, Palley argues, became the substitute for wage growth and productive investment. Financialization delayed the crisis embedded in the neoliberal model by sustaining demand to counterbalance the erosion of the real economy; but it did so at the cost of increasing financial fragility. Thus, while finance was not the root cause of the crisis, it helped pave the way to the catastrophe.[2]

It could be added that, in the recovery of the 2000s, finance replaced the expansionary effects of private investment that dissolved with the bursting of the technology bubble in early 2000. That terminated the 'fabulous decade'. Arguably, the investment drive of the second part of the 1990s was motivated by technology development and the rise of the Internet as the new frontier for the ICT sector.[3] In the 2000s we observed a continuing development of a technological trajectory; it was combined with a consolidation and restructuring of the ICT research–industrial complex, giving rise to the giants of today's Internet industry. However, there was no investment boom similar to that of the second part of the 1990s.

The channels of transmission of the crisis to the global economy complete the picture of the dead-end in which the economy finds itself. But in the aftermath of the Great Financial Crisis there is an additional paradox: if finance was indeed the engine of demand growth, regulating the sector implies that it could no longer serve that function. This further suggests that the model has nothing to offer except the prospect of stagnation.

Finance was the force that kept the economy running, at least up to a point; but the rise of finance is also directly linked to the flaws in the neoliberal growth model, which is manifestly unsustainable as a model of expansion. There is a tension between the view of finance as the new engine of growth—as a growing sector of the economy and an important source of profits—and, at the same time, as a major source of instability and ultimately the sector in which the crisis first materialized. What was already unsustainable in the growth model became indeed manifestly unsustainable with the financial crisis that erupted in 2007–2008. It is essential, then, to ask whether the return to (modest) growth in recent years rests on some substantial change (as distinct from minor adjustments) of the basic demand-generating process.

3.2 The law of unintended consequences

Neoliberal economists such as Alan Greenspan and Lawrence Summers did not think that finance would have to play the role of filling the demand gap resulting from the neoliberal paradigm shift: 'They believed the model would promote economic efficiency and freedom', and that financial markets would increase saving and investment. But 'the way it actually worked was completely different, reflecting the law of unintended consequences' (p. 75). Through debt expansion and repeated assets bubbles, neoliberal policies unintentionally created 'a mechanism that temporarily papered over the profound flaws of their growth model', ultimately pushing 'the economy into the worst financial crisis since the Great Depression [so that] now the economy confronts an even more profound and prolonged stagnation' (p. 76).

[2]'In sum,' Palley writes, 'the combination of a constant stream of innovations and deregulation, changing psychology and belief, and changing business and regulatory culture created what seemed to be a perpetual-motion financial machine' (p. 66).

[3]Stiglitz (2003) assigns decisive importance to new technologies because of their effects on the growth of productivity. As for the reasons for the collapse, Stiglitz focuses on an increasingly misdirected economic policy. Pollin (2003) argues that forces other than new technologies, and in particular the easy money policy of the Federal Reserve, caused the boom. Despite mixed results, studies on the impact of new technologies suggest that ICTs were indeed important for productivity growth and by implication for industrial transformation.

That is, the essential macroeconomic manifestation of the law of unintended consequences was the temporary alleviation of the erosion of the demand-generating process at the cost of an even more forceful assertion of the limitation of the growth model. This was not planned or in any way engineered by policy-makers; it was a consequence of the dominant way of thinking that drove economic policy.

4. Secular stagnation

Crisis and stagnation are the unescapable result of neoliberalism. It took a long time, however, for the consequences of the policies pursued since the 1980s to fully materialize. Their persistence, Palley contends, can only exacerbate the problem and lead to long-term stagnation. There is little sign that his argument has entered the debate on the crisis. Nevertheless, the issue of stagnation undoubtedly returned to the fore, mainly because of Lawrence H. Summers. He first raised the issue at an IMF conference (Summers 2013).[4]

Summers evokes and then dismisses the phantom of the Great Depression, recalling that 'a remarkable job was done in containing the 2007–2008 crisis'. However, the tone of his comments changes when he looks at the real economy. Summers notes that both classical and Keynesian models are concerned with stabilization of fluctuations around a given mean, but that the problem confronting us now is not one of excessive volatility. We therefore need to revisit 'a set of older and much more radical ideas … that went under the phrase secular stagnation … and [that] may not be without relevance to America's experience today'.

The interest rate level plays a key role in Summers's argument:

> Suppose that the short-term real interest rate that was consistent with full employment had fallen to −2% or −3% sometime in the middle of the last decade. Then, what would happen? Then, even with artificial stimulus to demand coming from all this financial imprudence, you wouldn't see any excess demand. And even with a relative resumption of normal credit conditions, you'd have a lot of difficulty getting back to full employment.

The policy agenda then concerns managing 'an economy in which the zero nominal interest rate is a chronic and systemic inhibitor of economic activity holding our economies back below their potential'.

Summers reiterated his views in a speech he delivered at Princeton University in February 2015 (Summers 2015b). He contrasts the secular stagnation viewpoint with the debt super-cycle view put forward by Kenneth Rogoff and with Ben Bernanke's savings glut hypothesis, ideas that he regards as consistent with secular stagnation and overlapping with it to some degree. But he insists that the key causal factor is the decline in the level of real interest rates.

Interestingly, Palley dismisses both Rogoff's debt super-cycle view and Bernanke's savings glut hypothesis. The accumulation of US Treasury bonds by China is the result of large trade surpluses, and therefore, Palley argues, 'has nothing to do with Bernanke's saving glut hypothesis' (p. 109). In the book, Palley mentions Summers only in passing, putting him in the 'soft-core MIT School' together with other liberals such as Paul

[4]The topic has, since 2013, attracted enough attention among mainstream economists to be the subject of a panel at the 2015 conference of the American Economic Association, with contributions by Gordon (2015), Eichengreen (2015) and Summers (2015a).

Krugman, J. Bradford DeLong and Dani Rodrik. More recently, Palley (2014) has welcomed the interest of such a prominent economist as Summers to the discussion on stagnation but argues that by appealing to the 'black box' of secular stagnation Summers is not speaking to the real issue, i.e. the causes of stagnation.

A scrutiny of the history of secular stagnation theory by Backhouse and Boianovsky (2016) confirms that very little of the original idea put forward by Hansen (1939, 1954) is present in today's debate. Summers does call attention to the exceptional character of the crisis and to the inadequacy of the conventional macroeconomic tools. However, despite some hints, he hardly elaborates on what might be behind the observed persistent oversupply of saving with respect to investment demand. Ultimately, Summers embraces the mainstream's overwhelming focus on the real rate of interest.

Today, there seems to be a consensus that a negative real interest rate is the defining trait of secular stagnation (Teulings and Baldwin 2014). This is what Backhouse and Boianovsky call the new secular stagnation hypothesis. In a recent paper, Palley (2016, p. 1) argued that the policy of setting nominal interest rates below zero is dangerous and fundamentally flawed because it rests on a 'fallacious pre-Keynesian economic logic that asserts interest rate adjustment can ensure full employment'.

5. Avoiding the great stagnation

Palley stresses that, 'Economic policy played a critical role in generating and shaping the new [wrongheaded] growth model' (p. 37). [5] It is then quite possible that the present tendency towards stagnation would not have emerged—or would have been considerably less pronounced—had policy been corrected. Economic policy is also crucial for avoiding the Great Stagnation. The second part of *From Financial Crisis to Stagnation* examines what is necessary to achieve that goal. Palley argues that avoiding the Great Stagnation requires a rethinking of the paradigm. The problem with textbook Keynesianism, he argues, is that it works 'when the demand generating process is sound' (p. 145). But that is exactly the point: neoliberalism disabled the demand-generating process that had been in place from the New Deal up to around 1980. Consequently, Keynesian demand-management policies won't do this time. To restore vitality to the growth process, a new conceptual approach is needed. Palley suggests a reconfiguration of policy following four main directions: replacing corporate globalization with 'managed globalization'; balancing markets and government; restoring full employment as a policy priority; and, finally, promoting high quality jobs that pay fair wages and grow with productivity (p. 150).

Needless to say, this seems quite reasonable. But it appears largely to be the mirror image of the problem in that it suggests the solution is simply to steer a course in the opposite direction to that of neoliberal policies. Things may not be so simple. The crucial difficulty is that the new approach to growth requires an economic theory and political strategy that are nowhere in sight. In the absence of such a theory and strategy, there are two possible outcomes: what Palley calls a 'new normal', in which policy-makers pursue the present course and the economy settles into a high unemployment path justified as 'structural'; or

[5] Stiglitz (2003) argues that 'the seeds of destruction' were planted with the policy shift that occurred between the first and the second terms of the Clinton Administration. That reorientation led to the end of the expansion and the collapse of the Internet bubble.

the 'Weimar scenario', in which 'extended stagnation and prolonged mass unemployment create the conditions in which the forces of intolerance and hate are released' (p. 126). [6]

This time the crisis really is different. But that hasn't yet come to be the general understanding of the problem, in the profession and in policy-making circles. And yet a prominent and influential economist like Summers seems to be acutely conscious of the complexities of the challenge posed by the current crisis. His insistence on the need for policies to increase both private and public investment confirms that. But Summers was one of the architects of the neoliberal policy framework, and it is therefore not surprising that he is unable to diagnose the fundamental causes of stagnation. He focuses instead on asset bubbles. Krugman too misses the root cause and points his finger at the liquidity trap (Palley 2014). And back we are to square one: the grip that neoliberal thinking holds on economic analysis and economic policy seems to prevent a coming to terms with the real questions.

6. Stagnation tendencies in light of structural transformation

To address the causes of stagnation tendencies, one should focus on the investment patterns and structural transformation that underlie the shift to the neoliberal growth paradigm and policy regime. Stagnation tendencies could then be linked to the difficulty of clearly identifying a new phase of expansive transformation driven by private investment in the face of the exhaustion of the previous sources of dynamism (Gualerzi 2010; De Juan, Febrero, and Marcuzzo 2011). In these circumstances, much of the current debate, including perhaps the very notion of neoliberalism, would attain a new perspective. It is not at all clear whether we can expect a resumption of growth based on the same mechanisms that have shaped expansions over most of the post-war period. Nor is it clear which sectors will lead the expansion. That is why there is no 'return to normal' scenario for growth. At the same time, neither technological change nor the pattern of growth into which industrialized economies are settling appears to be creating the conditions for an expansionary transformation. It can be argued that what is missing is the creation of new markets (Gualerzi 2010). But there are other grounds for questioning whether technological change can be a strong driver of investment and expansion in the current crisis. One of the skeptics of the role of information technology in the growth of productivity in the 1990s is Robert J. Gordon (2012, 2015), who argues that long-run growth in the US has mostly run its course. Productivity and growth are bound to deteriorate. The fundamental problem lies not in a lack of innovation, but in the powerful 'headwinds' that are acting against innovation having a positive effect on growth. These headwinds are grounded in demography, education, inequality and debt.

Underneath all this is arguably the most serious macroeconomic problem posed by the crisis: the absence of a clear growth scenario driven by private investment. That is no doubt part of the problem of the erosion of the demand-generating process. Note that this is not discarding the possibility of a dramatic productive transformation. On the contrary, the ongoing restructuring of a number of industries driven by the new giants of the Internet suggests that there is little reason to expect a new sustainable expansion by which the system can emerge from stagnation. These issues might be beyond the scope of Palley's book, but they are highly relevant for the critique of the neoliberal paradigm.

[6] This applies to the industrialized North, Palley notes; the outlook for emerging economies is considerably different.

Palley uses the metaphor of a water well to articulate his perspective on economic policy: ‘Expansionary monetary and fiscal policy “prime the pump” by stimulating demand … [But this] only works if there is water in the well, and the well is now dry’ (pp. 5–6). The well is dry because there is a lack of good investment opportunities; hence, private investment is incapable of dislodging us from the crisis. That is the problem at the basis of the present stagnation tendencies. An abundance of liquid finance feeds itself rather than the real economy.

The necessity of reactivating the demand-generating process is precisely what directs our focus onto technical change, investment patterns and structural transformation. This focus enables us to frame a fundamental question lying behind the change in paradigm: How can we return to a virtuous cycle of Keynesian growth in totally different historical circumstances and without the impetus of new large mass-consumption markets like those that marked the success story of the post-war period? Historically, growth has depended on a group of leading industries whose investment decisions were vital to the creation and expansion of demand.

Palley does not discuss structural transformation, and his argument about global corporate interests shaping recent economic history may not require such a discussion. But the stagnation tendencies he describes are materializing while the economic structure is undergoing dramatic changes and the direction and effects of technological change rather than its pace are a matter of great concern. I would argue that the trajectories of advanced technologies and the patterns of structural change are therefore closely linked to the causes of stagnation.

7. Concluding remarks

Palley’s book is a clear summary of the issues raised by the crisis. It explains the new phase we have entered since the 1980s. He shows how the tendency towards stagnation overlaps with a long-term decline of the US economy. What links the two tendencies is the global strategy of US capitalism, i.e. the corporate effort to dominate and profit from globalization at the expense of the domestic economy. This book complements the work of others who have argued that US capitalism is in decline (see, for example, Gordon 1996; Pollin 2003; Kotz 2015). Common elements in this literature are the stagnation of wages, the loss of industrial dynamism, the reliance on monetary policy and the increasing dominance of finance. All of these issues, it is worth noting, are related to the structural transformation of the domestic and global economies.

In raising the topic of long-term stagnation, Palley touches on a controversy in economic theory that goes back at least as far as the debate between Ricardo and Malthus on the possibility of general gluts. Economists have long been concerned with problems of overproduction, or underconsumption—the issue of whether a market economy can be relied upon to create an adequate level of demand. This long-standing controversy has indeed at its core the demand-generating process that the current crisis has brought back into focus. The Keynesian virtuous circle might have been a phase and not the norm of advanced capitalism.

A historical perspective helps us to frame a crucial question that Palley leaves out of his analysis: Why did US capitalism steer a course towards neoliberalism? In his account, it follows from the reign of ‘bad ideas’ that displaced the basic Keynesian macroeconomic framework. Bad ideas inspired a course of economic policy that shaped the current crisis. *But bad ideas are not the whole story*. Following Marx's argument in *The German Ideology* (1845–46), Palley reminds us that ideas are forged by power and wealth and that, in turn, they tend to reinforce the existing structure of wealth and power.

What, then, are the reasons for the paradigm shift and the resulting actions taken by government? Why have policy-makers chosen to undermine an essentially successful Keynesian policy of creating and sustaining demand in favor of the unsustainable approach of global neoliberalism? There must be very good reasons why the shared prosperity paradigm was discarded. After all, capitalism was flourishing in the post-war period. Why did US capitalism embrace the neoliberal course?

According to Palley, the policy mix of financial deregulation, corporate globalization, flexible labor markets, small government and abandonment of full employment was the result of 'true intellectual belief, self-serving ideology, or a combination of both' (p. 75). Stagnation might be the result of the law of unintended consequences. There can be no doubt that bad ideas were fundamental to the crisis. But Palley's explanation attributes to ruling elites an improbable degree of ignorance about how the economy works. We cannot rule out the possibility that the ruinous policies were promoted as part of a *deliberate strategy to deal with the crisis*.

Faced with a relatively weak political response, and despite the rise of right-wing populist, and sometimes explicitly fascist, political parties, ruling elites may have opted for a policy course that, while driving stagnation, promotes goals such as the dismantling of the welfare state, undermining workers' bargaining power, silencing dissent and subduing social conflict—in a word, maintaining control over an economic transformation that is not favorable to expansion and employment (Gualerzi 2017). Whether fundamental changes in conditions of growth and accumulation encouraged or even compelled ruling elites to follow the neoliberal course is a topic for another discussion. But that discussion seems to me to be inscribed in the questions Palley raises; it also seems indispensable to a full understanding of the stagnation that he quite rightly views as the most likely outcome of the crisis of the late 2000s.

Disclosure statement

No potential conflict of interest was reported by the author.

References

Backhouse, R., and M. Boianovsky. 2016. 'Secular Stagnation: The History of a Macroeconomic Heresy.' *The European Journal of the History of Economic Thought* 23 (6): 946–970.
De Juan, O., E. Febrero, and C. Marcuzzo, eds. 2011. *The First Great Recession of the 21st Century*. Cheltenham: Edward Elgar.
Eichengreen, B. 2015. 'Secular Stagnation: The Long View.' *American Economic Review* 105 (5): 66–70.
Gordon, D. 1996. *Fat and Mean: The Corporate Squeeze of Working Americans and the Myth of Managerial 'Downsizing*. New York: The Free Press.
Gordon, R. 2012. 'Is the US Economic Growth Over? Faltering Innovation Confronts the Six Headwinds.' National Bureau of Economic Research Discussion Paper 18315.
Gordon, R. 2015. 'Secular Stagnation: A Supply-Side View.' *American Economic Review* 105 (5): 54–59.

Gualerzi, D. 2010. *The Coming of Age of Information Technologies and the Path of Transformational Growth*. London: Routledge.

Gualerzi, D. 2017. 'Crisis in the Eurozone: Austerity and Economic Transformation.' *Review of Radical Political Economics* 49 (3): 394–409.

Hansen, A. 1939. 'Economic Progress and Declining Population Growth.' *American Economic Review* 29 (1): 1–15.

Hansen, A. 1954. 'Growth or Stagnation in the American Economy.' *The Review of Economics and Statistics* 36 (4): 409–414.

Kotz, D. 2015. *The Rise and Fall of Neoliberal Capitalism*. Cambridge, MA: Harvard University Press.

Marx, K. 1845–46. *A Critique of the German Ideology*. Moscow: Progress Publishers. 1968.

Palley, T. 2012. *From Financial Crisis to Stagnation*. Cambridge: Cambridge University Press.

Palley, T. 2014. 'Explaining Stagnation: Why it Matters.' (www.Insightweb.it).

Palley, T. 2016. 'Why Negative Interest rates Policy (NIRP) is Ineffective and Dangerous.' http://www.thomaspalley.com/wp-content/uploads/2016/06/negative_interest_rates.pdf.

Pollin, R. 2003. *Contours of Descent: US Economic Fractures and the Landscape of Global Austerity*. New York: Verso.

Stiglitz, J. 2003. *The Roaring Nineties*. New York: W.W. Norton.

Summers, L. H. 2013. 'IMF Fourteenth Annual Research Conference in Honor of Stanley Fischer.' http://larrysummers.com/imf-fourteenth-annual-research-conference-in-honor-of-stanley-fischer/.

Summers, L. H. 2015a. 'Demand Side Secular Stagnation.' *American Economic Review* 105 (5): 60–65.

Summers, L. H. 2015b. 'Reflections on Secular Stagnation.' http://larrysummers.com/2015/02/25/reflections-on-secular-stagnation/.

Teulings, C., and R. Baldwin, eds. 2014. *Secular Stagnation: Facts, Causes and Cures*. London: Center for Economic Policy Research.