book, but as with any growing field, the scope and possibilities of GVAR have since grown beyond what is covered in the handbook. A recent paper by Chudik and Pesaran (2014) detail the theory and practice of GVAR with updated developments.

The handbook succeeds in developing a coherent resource through threading together a range of applications into a cohesive text. By remaining accessible to the non-technical practitioner, there is a clarity and a breadth not often associated with econometric methods. This handbook accomplishes highlighting the possibilities of GVAR and inspires further adaptations. Indeed, further additions are welcome to keep astride of such future developments.

References:

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Cuaresma, J C, M Feldkircher, and F Huber (2014). 'Forecasting with Bayesian global vector autoregressive models: A comparison of priors'. Oesterreichische Nationalbank (Austrian Central Bank) Working Paper No. 189.

Hein E, Detzer D, and Dodig N, (Eds.)
The Demise of Finance-dominated Capitalism: Explaining the Financial and Economic Crises
Cheltenham: Edward Elgar, 2015
ISBN: 9781784715069

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During the last three decades or so, the impact of the financial system on economic activity and the distribution of income has increased enormously. The aim of this book, edited by Eckhard Hein, Daniel Detzer and Nina Dodig, is twofold: (i) to provide theoretical and empirical insights into the causes and the implications of this increasing role of finance; and (ii) to analyse the various explanations that have been put forward about the causes of financial crises.

The book consists of ten chapters. In Chapter 1, Hein, Dodig and Budyldina provide a detailed comparison of four different schools/approaches that have explained the rise of the finance-dominated capitalism: the French Regulation School, the Social Structures of Accumulation approach, the post-Keynesian approach and Minsky's theory. Relying on the recent theoretical and empirical literature, in Chapter 2, Hein and Dodig analyse the effects of financialisation on income distribution, investment, household debt, consumption and current account balances. In Chapter 3, Detzer and Herr discuss various traditional theories of the financial crises. They also develop their own framework for the analysis of the crises which combines ideas from Wicksell, Keynes, Minsky and Fisher. In Chapter 4, Dodig and Herr give an insightful overview of three important crises in the history of capitalism: the Great Depression, the crisis in the Latin America in the 1980s and the Japanese stagnation. Various important lessons learned from these crises are outlined.

The last six chapters are centred on the global financial crisis of 2007-8. In Chapter 5, Evans examines five different explanations of this crisis: the prevalence of perverse incentives in the financial sector, the US Federal Reserve policy of extremely low interest rates, the 'global savings glut' hypothesis, the deregulation of the financial sector and the attempt of the financial capital to increase its returns. In Chapter 6, Michell links income distribution with the financial crisis. After explaining how deregulation, de-unionisation and globalisation placed upward pressures on inequality in the run-up to the crisis, he goes on to argue that the rise in inequality was at the heart of the fragile increase in household indebtedness. In Chapter 7, Carrasco and Serrano investigate the relationship between global imbalances and the global financial crisis. They point out that this relationship is less strong than as is conventionally assumed and they highlight the need for a more detailed analysis of gross capital flows. In Chapter 8, Orhangazi gives an account of the main channels through which deregulation contributed to the crisis and critically discusses the suggestions that have been made for re-regulation. In Chapter 9, Gabbi, Kalbaska and Vercelli analyse the causes and the consequences of the financial crisis by illuminating the links between the contagion and the securitisation processes. In Chapter 10, Lagoa, Leão and Barradas provide a critical account of the mainstream literature of risk management in the context of the financial crisis. They identify the drawbacks of this literature and they show how the risk management approaches could benefit from the financialisation perspective.

A remarkable advantage of the book is that it combines theory with historical background, providing an insightful interplay between schools of thought and historical evidence. This interplay is often missing in the academic analysis of the global financial crisis, preventing a deeper understanding of its causes. An additional advantage is that most contributions in the book make a thorough comparison of orthodox with heterodox approaches to the financial system and the financial crises. This makes this book a valuable source for pluralist teaching in the field of finance and macroeconomics.

However, two potential limitations of the book need to be emphasised. First, it is not very clear who the audience of the book is. On the one hand, there are contributions that can serve as excellent teaching material, but are of less interest to researchers. On the other hand, there are contributions which provide directions for future research, but would be too advanced for students. Second, although shadow banking and securitisation have been discussed in many chapters of the book, a more systematic treatment of the empirical developments within the financial sector is missing. Given the importance of the institutional transformation of the financial sector in the run-up to the crisis, a detailed examination of the shadow banking data - drawing on theoretical considerations- would have enriched the analysis in the book.

Despite these limitations, the editors and the contributors of the book have done an outstanding job providing a benchmark source for all those wishing to understand the factors that led to the global financial crisis and the ways that the macroeconomic and financial system can become more robust in the post-crisis era.

Johannes Jäger and Elisabeth Springler (eds.)
Asymmetric Crisis in Europe and Possible Futures. Critical Political Economy and Post-Keynesian Perspectives
London: Routledge 2015
ISBN 978-1-138-79076-6

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This book collects a series of articles on the Euro crisis and the problems of European integration. Its aim is to combine and contrast the perspectives of both Critical Political Economy (CPE) and Post-Keynesian Economics (PKE). Thereby, the book seeks to close the gap between discussions on policy or 'technical' solutions on the one side, and an analysis through the lens of a political economy framework on the other.

The two approaches taken up in the book have both their merits. PKE provides a theoretical view alternative to the mainstream to explain economic growth and income distribution. Its key addressee is the 'state', which should implement adequate policies to ensure full employment. Hence, it usually aims at improving the conditions for workers within a 'tamed' capitalism. CPE on the other hand tries to understand and criticise the social relations of production and consequently searches for conditions to overcome capitalism.

The integration of both PKE and CPE perspectives is particularly valuable as regards the role of crisis management in the EMU. Although several years of attempts to solve the crisis prevented a meltdown of the financial system, it has spectacularly failed when it comes to restoring economic growth or reducing unemployment. PK economists would argue that the attempts were based on a flawed analysis and were not adequate to solve the problems at the root of the crisis. They nevertheless rarely question why politicians and scien-