Further research should be undertaken on some key ideas in this book. The concept of collective social wealth needs to be more fully developed. The Hamiltonian concept of technological and ceremonial functions could be compared with that of Marc R. Tool and Dale Bush. A program for eliminating poverty should be developed along lines suggested in the book. A fully fledged institutional theory of consumption, investment, saving, output, and quality of life should be developed from these outlines.

This book is a great way to learn about core concepts of institutional economics and to understand poverty, consumption, wealth generation, technology, ideology, and pollution, among others. I highly recommend it for scholars, students, politicians, business people, and academic libraries. It is an outstanding piece of scholarship.

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Towards a Sustainable and Equitable Society: Insights from Heterodox Economics and Psychoanalysis, by Arturo Hermann. Rome: Aracne, 2012. ISBN 978-88-548-5194-8, €11.00, 147 pages.

Hermann's arguments are quite convincing both on the methodological-analytical plane and on economic policy. In regard to the latter issue, the author develops an original view of the role of public expenditure for capitalist reproduction and the connected "growing contradiction of the system" (pp. 118 ff.). Herman correctly stresses that public expenditure is a major source for aggregate money profits in a credit economy where the banking system is in a position to create credit-money ex nihilo (i.e., without a previous collection of savings). This is a crucial issue dealt with, in particular, by the so-called monetary theory of production (MTP). The MTP describes the functioning of a sequential economy, which involves three macro-agents: banks, firms, and workers. The banking system creates money ex nihilo, in accordance with the idea that (i) banks provide loans, (ii) firms advance wage money and produce commodities, and (iii) workers supply labor. The circular process of the monetary economy starts with bargaining between banks and firms in the money market. Banks supply firms with initial finance, and firms need money in order to buy labor power and to start production. Firms use bank finance to purchase labor power, paying workers the wage negotiated in advance. After the production process has taken place, the price level is determined, so that real wages are known ex post. The MTP emphasizes that income distribution is primarily determined by the firms' decisions which is reflected in the value of the mark-up. This means that in the MTP approach, income distribution among banks, firms, and workers depends on the relative market and socio-political power of the agents. The monetary circuit closes with the repayment of the initial finance to banks (Graziani 2003), and public expenditure allows firms to increase their profits and to repay their debt to banks.

Even if public expenditure increases profits, investments, and employment, while also benefitting firms (and workers), Hermann stresses that two main arguments support the opposition to state intervention. First, he stresses that the "market tends to be psychologically perceived as an inflexible and punitive *superego*" (p. 122). On this basis, the author proposes to interpret social opposition to state intervention by using psychoanalytic categories, such as the "need of the market." He clarifies that "such need may refer to the child's desire of possessing its mother's affection and nourishment and to the feelings of guilt that often arise in relation to such a desire" (p. 123). Second, Hermann maintains that "public expenditure needs to be financed, in the long run, by direct and indirect taxation" (p. 118). This is a crucial point in the current debate on the sustainability of public debt. Hermann's view holds on the condition that the central bank does not act, at least in the long-run, as a "lender of last resort," and it is based on the conviction that there is a necessary link between the increase in public expenditure today and the increase in future taxation. Hermann's opposition to the increase in public debt is mainly motivated by the (convincing) argument that this policy generates redistributive effects to the benefit of rentiers. On the assumption that (i) public deficit is financed via taxation and that (ii) income redistribution to the benefit of workers is needed, he consistently advocates an increase in the tax burden at the expense of high-income households.

Moreover, following Hermann's argument, expansionary fiscal policies serve both to increase profits and employment, while also being a necessary tool for the implementation of the welfare state. The welfare state, in turn, is not necessarily desirable as such, insofar as more public provisions to the benefit of workers can increase their productivity, and hence the rate of growth. Hermann's book is in line with this program, based on the need to find a "third way to economic and social progress" (p. 11). It is highly recommended to scholars interested in approaching political economy as a discipline incorporating ethics, political philosophy, psychoanalysis, and a line of research aimed at overcoming neo-liberalism on theoretical and political grounds.

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Contending Economic Theory: Neoclassical, Keynesian, and Marxian, by Richard D. Wolff and Stephen A. Resnick. Cambridge, MA: MIT Press, 2012. Paperback: ISBN 978-0-262-51783-6, $35.00, 424 pages.

Contending Economic Theory is a comprehensive, beautifully written volume on contending theories with competing explanations. In it, Richard D. Wolff and Stephen A. Resnick juxtapose such distant themes as, for instance, Karl Marx's class society and John Maynard Keynes's new role of the state in regulating the capitalist economy. The book starts with a nice historical excursion into the emergence of major economic theories. The authors then present neoclassical, Keynesian, and Marxian theories, each in a separate chapter, followed by a chapter on late neoclassical theory, co-authored with Yahya Madra. A chapter, titled "Oscillations in Capitalism and among Economic Theories," focuses on nonlinear capitalist development and correlates them with the three major theories. The book concludes with a chapter on the importance of theoretical differences. One bold contribution of the book is the detailed comparisons of neoclassical, Keynesian, and Marxian theories the authors make, as opposed to restricting themselves to mere descriptions of these theories, separately or together. Another merit of the book is that these theories are presented as alternatives. They highlight strong sides of all three theories, instead of favoring one or two, while criticizing the others. Additionally, in the analysis, the authors connect major economic theories not only with key economic shifts, such as crises and recessions, but also with political changes. Wolff and Resnick present fundamental philosophical grounds on which the three theories stand, correlate ideas with reality, and discuss how proponents of each of these theories respond to criticism coming from opposition camps.

Wolff and Resnick point out that in the west, and in the US in particular, Marxism was met with utmost hostility and suspicion, thus preventing both scholars and the broader public from examining this important theoretical perspective. As a result, Marxism should receive more exposure in scholarly writings in order to permit a better communication between different schools of economic thought. Not surprisingly, then, the authors dedicate more space in their book to Marxism than they allocate for neoclassical and Keynesian theories combined. The authors do an excellent job in describing Marx's major postulates, while pointing out some frequent misperceptions regarding his economic concepts.