
Contents

1	Introduction	1
Part I Money and the Market		
2	The Difference Between Market and Barter: Money and the Making of Markets	9
3	Capital and the Firm: The Firm as the Engine of the Market Process	15
3.1	Capital as a Promotion Factor	15
3.2	The Market as a Dynamic Process	23
3.3	Fixed and Variable Capital: The Inclusion of Produced Means of Production in the Production Process and the Impact on the Legal Form of the Firm	31
4	Money and Money Creation in a Two-Stage Banking System	37
4.1	The Increase of the Money Supply by the Creation of Money through Credit	37
4.2	Interest in the Modern Monetary Economy: Interest as the Price of Credit	44
Part II Market and Production		
5	The Development of the Theories of Production: Valid Insights and Shortcomings	49
5.1	Overview of the Theories of Production	49
5.2	The Net Product Theory of the Physiocratic School Based on the Value Theory of Land – Supplemented by a Value Theory of Imagination	50

5.3	The Net Product Theory of the Mercantilist and the Classical Economic Doctrines Based on the Value Theory of Labor	52
5.4	Marginal Productivity Theory Versus Net Product or Surplus Theory	61
5.5	The Net Product Theory Rediscovered by Piero Sraffa	68
5.6	The Historical School and Its Further Development: Alternative Contributions to the Theory of Production	69
5.7	Conclusion	74
6	Production Involving Nature and Imagination	75
6.1	Production on a Limited Scale: Traditional Agriculture as a Basis for the Neoclassical Model of a Robinson Crusoe Economy	75
6.2	The Expansion of the Resource Base in the Modern Economy	78
6.3	Imagination as an Intellectual Resource	87
6.4	Conclusion	90
7	Income Distribution in the Process of Growth	93
7.1	The Distribution of the Social Product on the Basis of the Net Product or Surplus Theory	93
7.2	From the Nominal Social Product to the Effective Social Product: Amount and Distribution	103
7.3	Conclusion	104
Part III	Money and Production in the Dynamics of the Growth Spiral: Growth Imperative and Growth Impetus	
8	From the Theory of Growth to the Theory of the Growing Economy	109
9	The Economic Process as a Growth Spiral	115
10	The Increase of the Present Value of Profits as the Growth Impetus	121
11	The Avoidance of Losses as the Growth Imperative	129
12	Growth Opportunities and Growth Obstacles: The Role of the State	147
13	Summary and Outlook	153
	Bibliography	159



<http://www.springer.com/978-3-642-31880-1>

The Growth Spiral
Money, Energy, and Imagination in the Dynamics of the
Market Process

Binswanger, H.C.

2013, XII, 168 p., Hardcover

ISBN: 978-3-642-31880-1