

Debt, Design and Disparity: Monied Power and The Institutional Roots of Unequal Britain

This book investigates the long-run institutional roots of economic inequality through a historical and socio-economic analysis of the Bank of England's founding and evolution. Drawing on the framework of historical organization studies, it situates the Bank as a pivotal agent in the emergence of a rent-seeking order based on the dual system of private money creation and public debt financing. The first chapter re-examines the canonical narrative of the Bank's origins, questioning the celebratory portrayal of figures such as the buccannier William Paterson, the Chancellor of the Exchequer Charles Montagu, and the Whig merchant Michael Godfrey. By applying a longitudinal and comparative methodology inspired by Thomas Piketty, this study finds that the French Church community around Threadneedle Street, rather than the oft-cited triumvirate, played a more determinative role in the Bank's founding.

The second chapter extends this analysis by deploying the narrating mode of inquiry. It shows how a narrow group of Whig entrepreneurs successfully denationalised credit issuance and institutionalised a new financial regime centred on the private Bank of England. Contrary to North and Weingast's (1989) influential thesis, this institutional transition did not secure a more open economic order, but rather enabled a system in which public resources were appropriated through fiscal channels for the benefit of private shareholders.

The third chapter contrasts this historical institutional framework with the present-day configuration of tax extraction and wealth concentration, employing a novel analytical lens that moves beyond standard measures of inequality. The final empirical chapters use a 250-year dataset to demonstrate the enduring rent-extracting logic of Britain's monetary institutions prior to the World Wars. These findings situate credit institutions as central actors in shaping not only the distribution of wealth, but the architecture of the political economy itself.

In response, the book proposes a policy alternative: the establishment of a network of local community banks with broad-based ownership structures. This model seeks to democratise the benefits of credit allocation without recourse to coercive redistribution or public austerity. The objective is to reimagine money creation not as a privilege of the few, but as a public utility capable of serving the many.

An Introduction to the Modern Banking System

This book offers a clear map of what money and banking actually do today and why that reality matters for growth, stability, and democratic policy design. I begin by setting out the research questions, hypotheses, methods, and original contributions, situating the inquiry within two centuries of monetary debates and the recent turn to digital finance. The aim is pragmatic: to connect theory, evidence, and policy in a way that helps students, practitioners, and officials understand how modern systems create and steer money.

I organise the field around three families of banking theory: financial intermediation, fractional reserves, and credit creation. Confronted with central bank publications, balance sheet mechanics, and operational detail, only the credit view reliably matches how banks work in practice: lending creates deposits, not the other way round.

Building on this, I revisit the long Currency School versus Banking School debate and show how it has reappeared in modern guises, from sovereign-money proposals to central bank digital currencies. The question is enduring: should the state concentrate money issuance, or should credit remain decentralised within a regulated banking system? I trace the argument across history and into the present CBDC conversation, highlighting the trade-offs among stability, innovation, monetary sovereignty, and financial intermediation.

The book then turns to finance in practice. I examine the rise of FinTech and digital-first challenger banks in the United Kingdom and test the claim that they democratise finance. The evidence shows many of these institutions acting as “digital warehouses,” parking assets in central bank reserves or government securities while extending limited credit to the real economy. This pattern resembles elements of full-reserve designs and invites a sober reassessment of how innovation interacts with regulation and credit allocation.

Methodologically, the study combines conceptual analysis with empirical scrutiny of balance sheet data, case studies, and policy documents. The goal is not to pick a side in a doctrinal dispute but to show where each tradition illuminates contemporary institutions and where it misleads. The concluding chapters draw out policy implications: supervisors should track the purpose of credit, distinguish GDP-enhancing uses from speculative flows, and align rules so that banks, including new entrants, support innovation, employment, and resilient local economies. In short, by bringing theory and evidence together, the book provides a guide to the modern monetary system that is historically grounded, empirically anchored, and policy ready.

This book takes on a question that lies at the center of modern political economy: not merely how much credit an economy generates, but who creates it, for what uses, and with what institutional guardrails. The argument is simple yet profound. Credit is not neutral. When the financial system directs lending toward speculative asset purchases rather than productive investment, the result is slower growth, greater volatility, and wider inequality. Conversely, when institutions channel finance toward small and medium enterprises, local infrastructure, and capability building, economies learn more, innovate more, and share prosperity more broadly.

Drawing on the Quantity Theory of Disaggregated Credit, the analysis distinguishes between credit that expands productive capacity and credit that fuels asset price inflation. That conceptual clarity is matched by careful comparative evidence across banking architectures. Systems with dense networks of community, cooperative, and public development banks are better at solving information asymmetries, cultivating long relationships, and underwriting place based knowledge that large, arms length lenders usually overlook. The result is more resilient regions, deeper supply chains, and higher employment multipliers.

The book's contribution is not just theoretical or empirical. It is programmatic. It shows how bulwarks of patient finance—local banks with public purpose, development banks with clear mandates, and supervisory regimes that track the composition of credit—can rebalance incentives without sacrificing efficiency. Indeed, efficiency properly understood includes the social costs of instability and the externalities of underinvestment in people and productive capacity.

The policy proposals are pragmatic and immediately actionable. They include rebuilding community banking where it has withered, modernizing development finance to crowd in private investment, and redesigning macroprudential policy to target credit flowing into asset markets that do not add to GDP. The message is neither nostalgic nor technocratic. It is a call to align financial structure with the economy we claim to want: innovative, inclusive, and stable. In showing how institutional design of credit creation shapes growth paths and distributional outcomes, this book provides a blueprint for economies seeking to escape the low investment, high inequality trap and to place finance once again in the service of the real economy.

The rise of the red dragon the non-binary political economy of decentralised public banks

This article scrutinises China's unexpected economic ascent as an industrial dynamo despite an underdeveloped institutional framework, driven by a fusion of the Currency and Banking School arguments. Our discourse focuses on the reorganisation of endogenous money in post-Communist China, which significantly fortified the domestic economy. We employ a two-tiered framework, firstly linking the Currency vs. Banking School debate to the crucial role of domestic bank credit creation in economic development. Subsequently, we anchor this within the context of the post-Mao reforms, illustrating how 'inside money' is deployed in a top-down manner to real industry via a bottom-up and decentralised organisational design. The emergent Chinese political economy is in our view defined by the amalgamation of neo-statist and neo-liberal credit market policies. We detail the transformative effect of evolving domestic commercial banking trends, thereby shaping a distinctive post-Communist society.

Deciphering the Chinese Economic Miracle The Resolution of an Age-Old Economists Debate and its Central Role in Rapid Economic Development

We offer an account of China's unparalleled economic rise by considering evidence on public banks and their role in decentralizing the resource allocation task of a growing economy. Chinese economic and banking history since the post-Mao reforms reveals an ingenious integration by the local policymakers of Currency (public money supply) and BankingSchool (decentralized money creation) policy recommendations previously thought incompatible, resulting in a social democracy with Chinese characteristics. Our theoretical and historical discussions offer policy insights into the constructive role of quantitative public bank easing in economic development.

Ivanov and Werner 2022 Currency vs Banking School

Currency School proponents, drawing on David Ricardo's 1824 reform proposal, insist on depriving commercial banks of the ability to create near money. The money seigniorage function should be delegated to independent, technocratic central bankers. Their antagonists, the Banking School, argue that such a centralization of the institutional order will harm the economy. This paper shows that the modern repetition of this academic debate in the form of the 'money reform' movement that wants to abolish banks and their ability to create credit vs. the proponents of free banking who want to abolish the central bank, is a re-iteration of the historical arguments without new contributions to the development of economic thought. Instead, an integrated view is conceptualized, which draws its empirical foundations from the successful German economy and its highly decentralized community bank system. The progressive institutional order advanced herein paves the way for a just distribution of abnormal banking profits for the benefit of the wider

public and avoidance of the recurring banking crises as theorized by both schools of thought.

The-monetary-reform-debate-as-the-continuation-of-the-long-standing-currency-vs-banking-school-debate-and-the-identification-of-its-long-overdue-resolution

Aim. Since the 2008 crisis, an increasing number of economists and commentators have been calling for fundamental reform of our monetary system and financial architecture. In particular, banks have been heavily criticised, and policy proposals include the demand to abolish banking. Such calls for monetary reform are not new. In 19th century England, a policy debate among economists and policy-makers fell into two main camps, the so-called Currency and the Banking Schools. The former argues for centralisation of money issuance, the latter for decentralised money creation. **Theses and methods.** We show that present debates on reforming the monetary system, including introducing central bank digital currencies and a drastic shrinkage (if not elimination) of commercial banking, continue this familiar dichotomy, of which the protagonists seem unaware. In addition to pointing out that present-day debates about monetary reform merely restate the centuries-old positions of the Currency and Banking School protagonists, we argue that it is high time to resolve the dichotomy between the two schools. We do this by presenting and explaining an **empirically** successful compromise between the extreme positions of the two schools of thought that achieves the goals of both. **Results.** It consists of the successful decentralised banking structure of countries such as Germany, whose banks are mostly not-for-profit enterprises in public and/or local hands that lend mainly for productive business investment, while a central bank exists that can avoid crises by monitoring aggregate bank lending for non-GDP (asset) transactions. **Conclusion.** We believe this constitutes an important contribution to the present debate about the potential reform of national and international financial architectures.

Factories for Bureaucrats in Bulgaria.

This article explores the need for structural reform in the higher education system in Bulgaria, within the context of its role in the formation and development of human capital. Additionally, this scholarly work discusses state policy and strategy in the management of higher educational institutions (HEIs), emphasizing their role in the global knowledge race and the transition to a knowledge-based economy in the era of Industry 4.0. The study analyzes the type of specialists produced by Bulgarian HEIs, as well as their position on the global knowledge map. The results reveal a significant discrepancy between the goals outlined in policy papers and the actioning of state policies in two main areas. Firstly, Bulgarian HEIs predominantly generate bureaucrats at the expense of engineers and technical professionals, who are the backbone of intelligent and innovative economies. Secondly, the HEIs themselves are barely visible on the global stage, leading to economic stagnation and a lack of technological progress. This situation results from both insufficient

investment in strategically important sectors (engineering and technical fields) and the fragmented management of higher education, as well as its inability to serve as a primary tool for achieving economic growth and development. The article offers some specific recommendations for reforming the HEI system with the aim of improving the quality of education and reducing the imbalances in the existing structure of higher education.

Spatial Mapping of Banking Systems

In the aftermath of the Global Financial Crisis, calls for the dismantling of too-big-to-fail institutions were widespread. Despite over a decade of regulatory reforms, there is limited empirical evidence regarding the downsizing of big banks in Europe. This paper introduces a novel dataset and utilizes heatmaps to visually represent the spatial distribution of German and British banks' headquarters. Our analysis underscores the significance of banking systems in the finance-space nexus. The German case, characterized by a stable three-tier banking structure, contrasts with the monolithic British banking centered in London. This research contributes to understanding the evolving dynamics of European banking landscapes post-financial crisis.