Journal of Post Keynesian Economics

ISSN: (Print) (Online) Journal homepage: https://www.tandfonline.com/loi/mpke20

Tracy Mott's understanding of Kalecki's economics

Jan Toporowski

To cite this article: Jan Toporowski (2023) Tracy Mott's understanding of Kalecki's economics, Journal of Post Keynesian Economics, 46:4, 517-526, DOI: 10.1080/01603477.2023.2242327

To link to this article: https://doi.org/10.1080/01603477.2023.2242327

Published online: 01 Nov 2023.

JOURNAL OF POST KEYNESIAN ECONOMICS
2023, VOL. 46, NO. 4, 517–526
https://doi.org/10.1080/01603477.2023.2242327

Tracy Mott's understanding of Kalecki's economics

Jan Toporowski

ABSTRACT
Following his death in 1970, interest in Kalecki's economics has come to be confined to Post-Keynesian circles and discussions of political economy. In general, these have provided partial accounts of Kalecki's ideas, to supplement gaps in the theories of Keynes, Marx and their followers. Tracy Mott's work departs from this by placing Kalecki's economic theories around their foundation point in the financing of capitalist business. This provides a more systematic approach to Kalecki's account of capitalism. It also points to a monetary interpretation of Kalecki's Principle of Increasing Risk that was central to Mott's understanding of Kalecki's economics and an original interpretation of debt structures.

KEYWORDS
Tracy Mott; Michał Kalecki; money; risk

Introduction

I first met Tracy Mott sometime in the early 1990s. In 1987, I had resumed work as a university teacher and stumbled upon Post-Keynesians who maintained a discussion around the essential themes of Kalecki's economic theory, namely distribution and economic dynamics, in the face of the reduction of macroeconomics to monetarist principles. In Budapest in 1939 I met Geoff Harcourt, who immediately engaged me in a project to write an intellectual biography of Kalecki. I had my doubts. My PhD thesis had been on economic planning in Poland. So I was familiar with Kalecki's views on the economics of socialism. But I had yet to understand the central core of Kalecki's economics, namely his theories of the business cycle and capitalist economics. Among the Post-Keynesians in Budapest was Nina Shapiro who, on discovering my interest in Kalecki, told me that I must meet her friend Tracy Mott. We met up at a meeting of the ASSA in Boston and I immediately found myself talking a common language with Tracy. I had come to academic work from the world of banking and finance, on which I was to publish my first books and papers. Tracy was

Jan Toporowski is Professor of Economics and Finance at SOAS, University of London. He has published widely on monetary theory and policy, finance, and the work of Michał Kalecki.

ahead of me. He told me about Kaldor's (1939) article on "Speculation and Economic Stability" (Kaldor 1939), which we agreed was the key to dispersing the ambiguities of chapters 12 and 17 in Keynes's *General Theory*.

An unusual feature that made Tracy stand out was his interest in the European economists who had fled Europe in the face of the Nazi advance in the 1930s and the 1940s, their political economy informed by their practical experience of fascism and the breakdown of democracy. But there were other expatriates too, like Kenneth Boulding, whose ability to bring a broad culture to his economics found an appreciative ear in Tracy (Mott 2000). He also took an interest in developments south of the US border, in Latin America, and prided himself on his ability to read *Don Quixote* in the original. All this despite being a reluctant traveler abroad. But he did introduce me to another important Kaleckian, Julio Lopez, whose death a year or so before Tracy is a personal as well as professional loss.

At the end of the century I stopped traveling to the US, and then got caught up with work in SOAS. Tracy himself got involved in chairing his Department at Denver. I missed his enthusiasm and his insight. Reflecting on his work now confirms in my mind that Tracy was on the track of a new understanding of Kalecki. It is this new understanding that I would like to put forward in the rest of this paper. The section that follows surveys Kalecki's place in current economics. This is followed by a summary of Tracy Mott's view of Kalecki's economics, in the Section "Mott's reconstruction of Kalecki," built around the subject of Mott's PhD thesis, namely the Principle of Increasing Risk and his embrace of the economics of Josef Steindl. The Section "Money and credit in a capitalist system" then extends Mott's view to monetary economics to show a complete "Kaleckian" vision of the capitalist economy, without the use of Keynesian monetary theory to make up for the perceived inadequacy of such theory in Kalecki's economics. A brief conclusion highlights a new significance of Mott's economic analysis.

The remains of Kalecki

Since his death in 1970, Kalecki has become a marginal figure in economics, even though admirers like Joan Robinson, have rated him higher than Keynes in originality, insight and consistency of thought. From time to time he surfaces as the author of occasional insights or aphorisms: His remark in "Political Aspects of Full Employment" that "The social function of the doctrine of 'sound finance' is to make the level of employment dependent on the state of confidence" (Kalecki 1943), recently quoted by Paul Krugman, is a striking *social* interpretation of Keynes's doctrine of "animal spirits" summed up in less than two dozen words. There are more such handy quotations. They imply a theory, but do not make one up, and quoting them does not make a Kaleckian.

Since 1970s, the more consistent followers of Kalecki have been found among either Post-Keynesians, or Marxists. Post-Keynesians have typically used Kalecki to fill gaps perceived in Keynes's work, principally in the theory of distribution, where Keynes remained wedded to marginalism, and in the analysis of business cycles, where Keynes was confined by his static equilibrium analysis (e.g., Reynolds 1987; or even Kregel 1973). At the same time, Kaleckians have been drawn to Keynes and Post-Keynesianism to fill perceived gaps in Kalecki's understanding of money and finance (e.g., Sawyer 1985; see also the essays in King 1996).

Marxists, with certain exceptions, have been willing to embrace Kalecki much more comprehensively. While Kalecki was still alive, Paul Sweezy and Paul Baran, recognized his work as pioneering their critique of monopoly capital in America (Baran and Sweezy 1966). In Italy, Riccardo Bellofiore, Joseph Halevi and Claudio Sardoni have rightly seen Kalecki as the heir to Rosa Luxemburg's dissent from the Marxian under-consumptionist tradition (Bellofiore 2014; Halevi et al. 2016; Sardoni 1989). Halevi himself has recovered from obscurity Kalecki's critique of "military Keynesianism" in the 1950s (Halevi et al. 2016; see also Toporowski 2016). And as a matter of no small import among Marxists was Kalecki's positive view of socialism and his concern to improve rather than eliminate it (Osiatyński 1988; Dobb 1964). But this has not removed doubts among Marxists as to whether he can be truly theirs without embracing the labor theory of value (Bellofiore 2014).

Among explicit followers of Kalecki, there is a widespread appreciation of Kalecki's ideas on distribution, the business cycle, socialism and development economics. Nevertheless, they deprecate the absence of explicit monetary analysis in Kalecki. As noted by the eminent Post-Keynesian, G.C. Harcourt in his foreword to Tracy Mott's book on Kalecki's Principle of Increasing Risk, "While I think Keynes had deeper insight into the monetary and financial aspects of the workings of capitalism, Kalecki's setting for the overall analysis – Marx's schemes of reproduction – was superior to Keynes's Marshallian approach" (Harcourt 2010). A similar view suggests that Kalecki's monetary analysis is less sophisticated than that of Keynes (Sawyer 1985, 88–89, 93). The greater sophistication is seen in a more "Keynesian" monetary analysis abstracted away from capitalism by being founded in universal assumptions, rather than in capitalist institutions. This then leads on to modeling that inserts a Keynesian monetary analysis into what is perceived as a correct, but real (non-monetary) Kaleckian analysis of capitalism (Reynolds 1987; Sawyer 1985).

Mott's reconstruction of Kalecki

Tracy Mott's approach to the alleged problem of the relative underdevelopment of Kalecki's monetary analysis was quite the reverse of the traditional Kaleckian solution. Mott used Kalecki's monetary and financial analysis to make Keynes's analysis coherent. He regarded his book on the Principle of Increasing Risk, as "a contribution toward adding the missing pieces to the conception of the capitalist economy necessary to make what is worthwhile in Keynes's ideas part of a coherent whole." This, he thought, would give "an underlying unifying principle to the various suggestions and conclusions that the ideas proposed by Keynes really offer" (Mott 2010, 1).

Mott suggested the Principle of Increasing Risk as the "underlying unifying principle" that would give coherence to Keynesian theory. Put simply, the principle is the observation that the rate of interest on borrowing rises in proportion to the margin of the loan that is not "hedged" by cash or liquid assets held by the borrower. It is therefore worth spending some time to understand this principle and its macroeconomic implications. The starting point is Kalecki's idea, and Keynes's theoretical "breakthrough" in his *General Theory*, that the level of output and employment in a capitalist economy is determined not by prices or wages, but by the amount of business investment in productive capacity (Keynes 1936; Kalecki 1936). In his *General Theory* Keynes had attributed this apparent unwillingness to borrow for new investment to increased "liquidity preference" due to more pessimistic expectations among businessmen. Kalecki suggested that the problem was rooted in the structure of corporate finance.

The idea had originally been put forward by a young Polish monetary economist with whom Kalecki had worked in Warsaw, Marek Breit. In a paper that Breit had published in German in *Zeitschrift für Nationalökonomie*, with a shorter version appearing Polish, he had argued that banks increase the interest that they charge on loans in proportion to the ratio of debt to the internal funds (own funds or liquid assets) of a company. Thus, even low short-term money market interest rates may fail to stimulate investment, if the "risk margin" charged to corporate borrowers has increased, due to the large amount of borrowing, in relation to own funds, which may be drained by low profits, or else high borrowing may drain the equity out of the firm. In this way, credit easing may fail to evoke a boom in borrowing (Breit 1935a, 1935b).

Kalecki took up and extended the essential concept of financial risk that Breit had put forward. In Kalecki's version, the analysis became a theory of investment, and a reason why increasing the supply of credit in financial markets would not increase investment, as suggested by the conventional theory, according to which the rate of interest brings the demand for and supply of credit into equilibrium (Chilosi 1982; Mott 1985–1986, 1982). Kalecki suggested that a constant prospective return on investment is more realistic than the decreasing returns advanced in their investment theory by most economists (decreasing returns being really only characteristic of agricultural or minerals production). Given such expectations of a constant return, determined by the current return on past investment, and the current rate of interest with increasing risk margins, the amount of investment that a firm can undertake is limited by the amount of its savings. Borrowing in excess of the firm's own liquid assets (we might today call it borrowing that is not "hedged" by liquid assets) incurs a higher interest margin. A similar risk constraint would apply to funds raised from the stock market, through a rising cost of funds on bond issues. In the case of shares, existing shareholders would resist the watering-down of their stock by additional stock issues, and would be faced with rising costs of selling more than an "optimum size of issue."

Kalecki had not only provided a more general analysis of financial risk and credit market impotence. He had, as Lange was later to point out, advanced a theory of the size of the firm that depended on financial factors: "… the size of the firm is thus limited by the capital owned by the entrepreneur" (Lange 1941). In contrast, the traditional Marshallian theory of the firm that prevailed in Britain at the time argued that the size of a firm is determined by the profit-maximizing *scale* of production, i.e., the total industrial capacity that gives the lowest cost per unit of output. The Marshallian theory contains an element for the cost of capital, but does not really consider corporate finance. Moreover, strictly speaking, it is a theory of the *scale* of production in one plant or factory, rather than a theory of the firm as a corporate organization (see Steindl 1965).

Kalecki distinguished between "borrower's risk" and "lender's risk," a distinction that may also be found in Keynes. In summary, the borrower's risk is that interest payments will absorb operating profit, leaving no profit for the borrower; the lender's risk is the possibility that the operating profit will be insufficient to cover interest costs. Both of these risks increase as the amount borrowed rises (Kalecki 1937). The amount of borrowing that industrial firms may do is therefore limited by their internal reserves, in other words, by the distribution of liquidity among firms. This, as Steindl was to note, varies in proportion to the size of the firm (Steindl 1965).

Placing this analysis of risk in the context of the business cycle, Mott observed that "surely there is a connection here between Kalecki and Minsky here" (Mott 2010, 98). But the connection is even stronger with the industrial and financial economics of Josef Steindl, in whose memory Mott had co-edited, with Nina Shapiro, a volume of essays in which their contribution, in the form of an introduction to the volume, was perhaps too modest considering the ideas of their authors (Mott and Shapiro 2005). Mott picked up Steindl's analysis of markup pricing in *Maturity and*

Stagnation in American Capitalism and his theory of economic stagnation (Mott 2010, 19–22), rather than Steindl's more fundamental critique of the Marshallian theory of the firm.

In the light of the essential role of investment in determining output and employment in the capitalist economy, this risk is an essential part of the "microfoundations" of the economic system and is seriously overlooked in the New Keynesian and New Classical macroeconomics. In this way, Mott established business finance as the foundation of the economic theory of capitalism. Business finance, in turn, may be divided into corporate finance, and the financing of small and medium-sized enterprises. The two business sectors are both subject to the Principle of Increasing Risk: in the case of corporations this is through their operations in financial markets, by which they regulate their internal liquidity and hence their risk; and, in the case of smaller businesses through restricting their borrowing (but also their investment activity) in order to avoid risk. Thus, the principle of increasing risk serves as a "unifying principle" to give coherence to an economy driven by production for profit and places a ceiling, determined by the distribution of liquid resources among firms, on the investment that firms may carry out, and hence, in the absence of government intervention, on the total output and employment that may obtain in an economy.

Money and credit in a capitalist system

It is possible now to turn to some of the monetary and financial implications of Tracy Mott's view. These are implications that he did not make explicit. But it is possible to argue that they arise from the way in which he placed the Principle of Increasing Risk, and the financial system through which it operates, at the heart of the system of capitalist production and distribution. In my book *Interest and Capital* I put forward the idea that the key requirement of the credit monetary system is its use in the *settlement* of inter-business transactions. This arises from Kalecki's (and Keynes's) theory of profits, in which profits accrue to capitalists or entrepreneurs as a result not of some natural fecundity of capital, but as a consequence of capitalists' expenditures on investment and capitalists' consumption. In this, the monetary system serves as a means of settling payments that are crucial to allow business to accumulate profits in monetary form (Toporowski 2022, chapter 6). The internal liquidity that is the foundation of the Principle of Increasing Risk is therefore accumulated either from profits, or from banks lending and thereby their credit-creation. In this sense, the financial system is a "family matter" of the capitalists, as Rosa Luxemburg put it (Luxemburg 1972, 52–53), although it is a family whose members do not have equal shares and influence. This may be contrasted with the chartalist view of Keynes, according to which the state determines what is token money and regulates the provision of credit, or the "credit" view of Robertson, for example, who emphasized banks' credit-creation through their loan advances. The view of Kalecki on money and credit is therefore a modern version of the ideas of the nineteenth-century Banking School, which treated credit much more like an inter-capitalist business arrangement.

It is now easy to show that, in this monetary system, the distribution of money or credit among firms jointly determined the profit margin, and banks' credit creation. The profit margin, in turn, is determined by the price system in which there is not a uniform profit margin, but a markup set by the "degree of monopoly" power exercised by individual firms. The highest margins are enjoyed by the firms with the greatest monopolies, or the firms in the strongest cartels (Mott 2010, chapter 13). Given this distribution of money profits, banks' credit creation, is set by the Principle of Increasing Risk.

For simplicity, the capitalist business sector may be divided up into the corporate business sector, enjoying more stable profit margins, and the small and medium-sized business sector, with smaller, more precarious margins. The *process* of economic activity, through production and markets may now be seen as a process of distributing profits around firms in the two sectors. The relative power of different firms in markets means that profits are concentrated in the corporate sector, and losses are concentrated among small and medium-sized businesses. This is an old story that goes back to Hilferding, and was elaborated by Kalecki (Hilferding 1910/1981, 298; Kalecki 1932). But the stability of their profit margins is not the only difference between the two sectors. With access to the capital markets, firms in the corporate sector may regulate their own internal liquidity more easily. Firms in the smaller business sector are reliant upon the liquidity that they may save from their (smaller) profits and on bank borrowing. In accordance with the Principle of Increasing Risk, corporations therefore have the resources to undertake large investment projects and therefore account for the vast bulk of private sector investment. Through this, the corporate business sector largely determines the course of the business cycle. But, in nearly all market economies, the smaller businesses account for the vast majority of private sector employment that bears the cost of economic downturns.

In his fundamental paper on household saving, Steindl introduced the concept of "forced indebtedness" to describe the debt incurred by firms experiencing losses as a result of household saving (Steindl 1982). The losses arise because money paid out in wages to workers does not return to business through spending, but is saved. In the credit system, the asset counterpart of the household saving is therefore the loans advanced to business to cover those losses. Steindl thus provided an excellent critique of the classical theory of saving. However, the concept may be extended to understand the debt structures arising out of the differential profit margins described above. In the business sector, the counterpart of the monopoly profits of corporations is the "forced indebtedness" of small and medium-sized businesses.

This is an issue that has not been well understood in the recent "financialisation" literature that reverses Steindl's indebtedness process and argues that the corporate sector is profiteering from household indebtedness. This is commonly on the basis of data on household debt and the growing accumulation of financial assets by corporations. Much of this view arises from a misunderstanding of small business finance. In countries, such as the United States and the United Kingdom, where financialisation is perceived to have advanced most rapidly in recent decades, small businesses very frequently finance themselves with debt secured on the residential property of the business owner. This means that, in the published data, this borrowing is recorded as household debt, whereas really it is financing business activity. Steindl noted this in his study of household saving (Steindl 1982). A proper statistical study would disentangle the business debt from truly household debt. But the idea that the counterpart of corporate liquidity is in part the "forced indebtedness" of smaller businesses (augmented today by the indebtedness of the corporate sector by private equity and claims on government) remains a plausible hypothesis.

Some tentative conclusions

Tracy Mott followed in the footsteps of Kalecki, whose work has traditionally been considered incomplete because of its failure to tackle the financial and monetary issues that exercised Kalecki's rival John Maynard Keynes. Mott's work from his doctoral thesis on the Principle of Increasing Risk, broke through this ignorance by demonstrating that there was serious financial analysis in the theories of Michał Kalecki and Josef Steindl on business financing. Where contemporary macroeconomics has abandoned the theory of the firm as a "microfoundation" for aggregate analysis, Mott's work placed the firm at the foundation of the modern economy. In this way, Mott opened up a new research agenda. However, Mott stayed within the path laid out by Kalecki and Steindl that did not explicitly articulate monetary circulation and credit creation in the economy. Nevertheless, Mott laid out the elements of such a monetary analysis in the theory of profits and the Principle of Increasing Risk.

Crucial here is the analysis of profit margins and credit creation in determining the distribution of monetary resources among firms. The Principle of Increasing Risk, applied to the distribution of these resources, then provides monetary basis for the expenditure on production and investment that determines the macroeconomics (output and employment) and dynamics of the system. In this way, Mott's analysis may be completed.

Disclosure statement

No potential conflict of interest was reported by the author(s).

Funding

The author is grateful for financial assistance in writing this paper from the Leverhulme Foundation and the Institute for New Economic Thinking.

References

Baran, P. A., and P. M. Sweezy. 1966. *Monopoly Capital an Essay on the American Economic and Social Order*. New York: Monthly Review Press.

Bellofiore, R. 2014. "Luxemburg and Kalecki: The Actuality of Tadeusz Kowalik's Reading of the *Accumulation of Capital*." In *The Legacy of Rosa Luxemburg, Oskar Lange and Michał Kalecki Volume 1 of Essays in Honour of Tadeusz Kowalik*, edited by R. Bellofiore, E. Karwowski, and J. Toporowski. Basingstoke: Palgrave.

Breit, M. 1935a. "Problemy rynku pieniężnego i kapitałowego na tle depresji' (Problems of the money and capital markets at the background to the depression)." *Prace Instytutu Koniunktur Gospodarczych i Cen* 4/ (2): 39–50.

Breit, M. 1935b. "Ein Beitrag zur Theorie des Geld- und Kapitalmarktes' (An essay on the theory of money and capital markets)." *Zeitschrift fűr Nationalőkonomie* 6 (5): 632–659.

Chilosi, A. 1982. "Breit, Kalecki and Hicks on the Term Structure of Interest Rates, Risk and the Theory of Investment." In *Advances in Economic Theory*, edited by M. Baranzini. Oxford: Basil Blackwell.

Dobb, M. 1964. "Some Reflections on the Theory of Investment Planning and Economic Growth." In *Problems of Economic Dynamics and Planning Essays in Honour of Michał Kalecki*. Warszawa: PWN Polish Scientific Publishers.

Halevi, J., 2016. "Kalecki and Modern Capitalism." In *Post-Keynesian Essays from down under Volume I Essays on Keynes, Harrod and Kalecki*, edited J. Halevi, G. C. Harcourt, P. Kriesler. and J. W. Nevile. Basingstoke: Palgrave.

Harcourt, G. C. 2010. "'Foreword' to T. Mott." *Kalecki's Principle of Increasing Risk and Keynesian Economics* Abingdon: Routledge.

Hilferding, R. 1910/1981. *Finance Capital a Study of the Latest Phase of Capitalist Development* London: Routledge and Kegan Paul.

Kaldor, N. 1939. "Speculation and Economic Stability." In *Essays on Economic Stability and Growth*, edited by N. Kaldor. London: Gerald Duckworth & Co.

Kalecki, M. 1932. "The Influence of Cartelization on the Business Cycle." In *Collected Works of Michał Kalecki Volume I Capitalism: Business Cycles and Full Employment*, edited by J. Osiatyński. Oxford: The Clarendon Press 1990.

Kalecki, M. 1936. “Some Remarks on Keynes’s Theory.” In *Collected Works of Michał Kalecki Volume I Capitalism: Business Cycles and Full Employment*, translated by F. Targetti and B. Kinda-Hass and edited by J. Osiatyński. Oxford: The Clarendon Press 1990.

Kalecki, M. 1937. “The Principle of Increasing Risk.” *Economica* 4(16): 440–446. In *Collected Works of Michał Kalecki Volume I Capitalism: Business Cycles and Full Employment*, edited by J. Osiatyński. Oxford: The Clarendon Press 1990.

Kalecki, M. 1943. “Political Aspects of Full Employment.” *The Political Quarterly* 14 (4): 322–330. https://doi.org/10.1111/j.1467-923X.1943.tb01016.x

Keynes, J. M. 1936. *The General Theory of Employment Interest and Money*. London: Macmillan.

King, J. E., ed., 1996. *An Alternative Macroeconomic Theory: The Kaleckian Model and Post-Keynesian Economics*. Boston: Kluwer Academic Publishers.

Kregel, J. A. 1973. *The Reconstruction of Political Economy an Introduction to Post-Keynesian Economics*. New York: John Wiley.

Lange, O. 1941. “Review of M. Kalecki *Essays in the Theory of Economic Fluctuations*.” *Journal of Political Economy* 49 (2): 279–285. https://doi.org/10.1086/255700

Luxemburg, R. 1972. *The Accumulation of Capital – An Anti-Critique*. New York: Monthly Review Press.

Mott, T. 1982. “Kalecki’s Principle of Increasing Risk: The Role of Finance in the Post-Keynesian Theory of Investment Fluctuations.” PhD diss., Stanford University.

Mott, T. 1985–1986. “Kalecki’s Principle of Increasing Risk and the Relation among Mark-up Pricing, Investment Fluctuations, and Liquidity Preference.” *Economic Forum* XV: 65–76.

Mott, T. 2000. “Kenneth Boulding 1910-1993.” *Economic Journal* 110: 430–444.

Mott, T. 2010. *Kalecki’s Principle of Increasing Risk and Keynesian Economics*. Abingdon: Routledge.

Mott, T., and N. Shapiro. 2005. *Rethinking Capitalist Development Essays on the Economics of Josef Steindl*. Abingdon: Routledge.

Osiatyński, J. 1988. *Michał Kalecki on a Socialist Economy*. London: Macmillan.

Reynolds, P. J. 1987. *Political Economy: A Synthesis of Kaleckian and Post-Keynesian Economics* Brighton: Wheatsheaf.

Sardoni, C. 1989. “Some Aspects of Kalecki’s Theory of Profits: its Relationship to Marx’s Schemes of Reproduction.” In *Kalecki’s Relevance Today*, edited by M. Sebastiani. New York: St. Martin’s Press 1989.

Sawyer, M. C. 1985. *The Economics of Michał Kalecki*. Basingstoke: Macmillan.

Steindl, J. 1965. *Random Processes and the Growth of Firms a Study of the Pareto Law*. London: Charles Griffin & Co.

Steindl, J. 1982. “The Role of Household Saving in the Modern Economy.” In *Economic Papers 1941-1988*, edited by J. Steindl. Basingstoke: Macmillan 1990.

Toporowski, J. 2016. “Multilateralism and Military Keynesianism: Completing the Analysis.” *Journal of Post Keynesian Economics* 39 (4): 437–443. https://doi.org/10.1080/01603477.2016.1240589

Toporowski, J. 2022. *Interest and Capital the Monetary Economics of Michał Kalecki*. Oxford: Oxford University Press.