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ABSTRACTS

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Towards a New Social Structure of Accumulation: The Case of a Small Euro-Area Flexicurity Economy

PETER FLASCHEL, ALFRED GREINER & SIGRID LUCHTENBERG

The paper formulates for a small open economy a macrodynamic framework with an employer of 'first' resort, added to a competitive economic reproduction process. There is high labor mobility, with fluctuations of employment made socially acceptable through a second labor market where all remaining workers get occupation and income. We show that this economy exhibits an attracting balanced growth path, which is also viable. Moreover, pension-fund financed investment can be added to this model without disturbing this situation. We also investigate the existence of skill differentials and a corresponding educational system, which includes the equal opportunity principle.

Promoting Economic Growth and Development Through an Employment of Last Resort Policy

DIMITRI B. PAPADIMITRIOY

It has been shown that unemployment has far-reaching effects all leading to an inequitable distribution of well-being. On the other hand, many economists assume that unemployment tends toward a natural rate below which it cannot go without creating inflation. The paper considers a particular employment strategy of a government job creation program, such as employment guarantee scheme or employer of last resort that would satisfy the non-inflationary criteria. The paper examines the international experience of government job creation programs and pays a particular emphasis to the more successful programs instituted in Argentina and India. The conclusion drawn is that the application of an employer of last resort policy fosters economic development and in addition becomes a vehicle to meeting the Millennium Development Goals.

Partial Equilibrium Analysis of Impact of Use of Finance Option for Purchase of Durable Consumer Goods on Indian Economy: A Study in General Equilibrium Framework

SHRI PRAKASH, SHALINI SHARMA & ARVIND BAGATI

This paper has developed two hierarchical models to determine the impact of final demand for consumer durables, particularly purchases with finance, on Indian economy. Model of demand for consumer durables with or without finance is encompassed in revealed preference theory and stochastic framework Logit form of Engel consumption function is used. This is illustrated geometrically to incorporate twin threshold income levels for purchases with or without finance. This model supplements I-O model of impact of consumer durables on the economy. Concept of 'Static Leontief Trajectory' is formulated. Two complementary theorems, empirically supported, are its base. This paper has endogenised private final consumption expenditure in input output model. Results show that the purchase of consumer durables with or without finance considerably affects output of all sectors. Output effect varies greatly between sectors but it is maximum for the sectors final demand for the output of which is nonzero. Output effect depends, a great deal on the pattern and strength of backward, forward and residentiary linkages.

The Greco-Roman theory of the Stage Evolution of Society

CHRISTOS P. BALOGLOU & ANASTASSIOS D. KARAYIANNIS

The paper analyses the various views of ancient Greek writers about the stages of the evolution of society and shows its impact on the relevant views developed by some Romans. More than their similarities and differences is shown that the stage theory of the evolution of society has its roots to the ancient world.