

# Bulletin of Political Economy

## ABSTRACTS

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### **Mathematical Principles of Monetary Econophysics with Application to Problem of Financial Stabilization**

**VALKO PETROV**

This paper presents a mathematical solution of the problem for financial stabilization. The exact statement of the problem is carried out in terms of the four conventional market values, involved in the famous Fisher equation of monetary circulation. The latter is subjected to a new named dynamic extension. Then, the conditions for occurrence of economic destabilization and cyclicity are deduced analytically. At the end, the final conclusion is made, that to escape the occurrence of economic crisis cycles, it is necessary to sustain sufficiently high progressive taxation and respectively enough mass consumption.

### **Transiting to a New Development Pattern? A Conceptual Analysis of New Dynamic Hypotheses Governing Development**

**HARRIS TOPALIDES & PATROKLOS GEORGIADIS**

Globalization and a shift in the dominant type of capital investments from physical to knowledge forms, emerging since 70's had a major influence on industrial development pattern. This paper examines the dynamics of their impact, aiming to derive insights about modifications in the corresponding sustainability context. Introducing changes as new operation hypotheses in a dynamic model exhibiting industrial development pattern, it accesses conceptually their effects on the functions controlling capital accumulation and regulating capital intensity level, that dominate its identity. Showing that model's growth property alters, it induces that development pattern is changing and a new form of limits-to-growth emerges.

# **An Appraisal of Unified Enterprise Income Tax Policy in China**

**CHIEN-HSUN CHEN, CHAO-CHENG MAI & JHAO-HSUAN HSU**

This paper explores how the increase in income taxes in relation to foreign-funded enterprises affects the social welfare of China. The theoretical analysis indicates that increasing the income taxes levied on the foreign-funded firm tends to be beneficial to the social welfare of China. However, this tax policy may be detrimental to the social welfare of China only if the marginal cost of the domestic firm is higher than that of the foreign-funded firm, and this cost differential effect outweighs both the direct and strategic effects.

# **Measures of Production Price-Labour Value Deviation and Income Distribution in Actual Economies: Theory and Empirical Evidence**

**THEODORE MARIOLIS & LEFTERIS TSOULFIDIS**

Many empirical studies indicate that the deviations of actual prices of production from labour values are not too sensitive to the type of measure used for their evaluation. This paper attempts to theorize this rather 'stylized fact' by focusing on the relationships between the traditional and the numéraire-free measures of deviation. On the empirical side, it provides an illustration of these relationships using input-output data from the Greek and Japanese economies.