Assessing US Policies for Health Care through the Dynamic CGE Approach

CLAUDIO SOCCI, MAURIZIO CIASCHINI, ROSITA PRETAROLI & FRANCESCA SEVERINI

The sustainability of the health care expenditure is a topic that at the present time is strongly discussed in the literature. Indeed the "health industry" can be considered as a strategic one within the industries that shape the economy, since it is able to stimulate many other production processes, within the economy, that activate, at their turn, the sectoral income generation. Thus the policy maker has the possibility of implementing a policy, in health care, able to achieve a composite objective: the level of public health care expenditure should be made consistent with the growth path of the economy sought after, both in the aggregate and in its sectoral composition. In this work we concentrate on health expenditure and income generation trying to verify the impact of a change in the inner composition of the health care demands. Our aim is that of determining the impacts of the announced new allocation of health care expenditure in U.S. alongside the multisectoral income circular flow. We develop a dynamic CGE model, calibrated on an USA Social Accounting Matrix that we have purposely built, in which health care reform and its direct and indirect effects on the main macroeconomic variables are determined and quantified.

Farm Production Costs, Producer Prices and Retail Food Prices in Greece: A Cointegration Analysis

CHRISTOS P. PAPPAS & CHRISTOS T. PAPADAS

The relationship between farm production costs, producer prices and retail food prices has been quite often the subject of research. This study examines the existence of cointegrating relationships and the direction of causality between these variables in Greece. The data used refer to price indices of farm inputs and outputs for crop and livestock production and retail price indices for food and non-alcoholic beverages. The stationarity of the time series is examined using the alternative econometric tests of the literature. The Johansen procedure verifies the existence of a long run equilibrium relationship. Both, the Maximum Eigenvalue test and the Trace test confirm the existence of one only cointegrating relationship. Alternative formulations of the linear long run equilibrium relationship are examined within the Johansen context and the short and long run causality directions are investigated. It is found that in the short and long run, production costs and producer prices "influence" retail food prices. In addition to the estimated cointegrating relationship, the estimated Vector Error Correction Model

provides information on the speed and adjustment process towards the long run equilibrium.

Industry Outputs arising from the Implementation of the Medium-Term Fiscal Strategy 2013-2016 for the Greek Economy

MANOLIS BOUSOUNIS & CHARALAMPOS ECONOMIDIS

The aim of this paper is to estimate the output vector of the Greek economy for the year 2015 based on the implementation of the Medium-Term Fiscal Strategy 2013-2016, and to make a comparative presentation of the output vectors for the years 2010 and 2015. The 2015 output vector is estimated using two different estimating methods, the first based on the Symmetric Input-Output Table (SIOT) and the second on the Supply and Use Table (SUT). The results show an increase in output of most industries and changes in the composition of sectoral outputs of the Greek economy. However, the available empirical evidence is in stark contrast to these estimates.

Testing Bienenfeld's Second-Order Approximation for the Wage-Profit Curve

THEODORE MARIOLIS

This paper constructs Bielefeld's second-order approximation for the wage-profit curve and tests it using data from ten symmetric input-output tables of the Greek economy. The results suggest that there is room for using low-dimensional models as surrogates for actual single-product economies.