

# Bulletin of Political Economy

## ABSTRACTS

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### **Intensive Rent and Value in Ricardo**

**CHRISTIAN BIDARD**

Ricardo's statement that the marginal capital pays no rent is at the basis of his extension of the labour theory of value to the presence of lands. That statement has been recently criticised by Fratini in the case of intensive cultivation. We defend Ricardo's position on that point. However, the reduction of a productive system with land to a single-product system is generally impossible, and for instance the trade-off property between wages and profits does not hold in general.

### **Do Increased Private Saving Rates Spur Economic Growth?**

**KAZIMIERZ LASKI**

Growth of aggregate demand at any given private saving rate depends on growth of private investment, export surplus and budget deficit. Slower growth of private investment in the mid-1970s has triggered stagnation trends in Europe's developed economies, caused mainly by inadequate aggregate demand. The relation between aggregate demand and the propensity to save is analysed in the present paper using the model of 'stunted growth' of Josef Steindl. The decreased utilization of capacity characteristic of stagnation can be counteracted by a reduction of the propensity to save. The most important factors determining the saving rate are distribution of incomes and the progressivity of the tax system. In many countries and periods, an inverse relation between the growth of GDP and of the private saving rate has been found and presented in the study.

### **A Keynesian Recovery Policy for the European Union**

**RICCARDO FIORENTINI & GUIDO MONTANI**

The European Council's decision in February 2013 to cut the EU budget to 1% of GDP was a grave error, worsening the European economic recession and tacitly admitting that a European recovery policy is impossible. In this paper the authors show that with an annual EU budget of only 1.19% of GDP, a recovery plan of

2% of GDP is possible, without deficit spending. The twofold aim of this exercise is to show that within the present legislative framework European parties and leaders can put forward an effective economic policy to overcome recession and that European fiscal imbalance is one of the major causes of the crisis of the European misgovernment. A more effective policy can be fostered with a limited federal debt.

## **Extraversion and Crisis of the Greek Economy: A Study**

**GEORGE ECONOMAKIS, MARIA MARKAKI & GEORGE ANDROULAKIS**

The Greek economy arose as the main 'weak link' in the global economic crisis because of the 'extraverted' model of Greek capitalism. It is this model that leads to systematic transfers of value to the imperialist countries forming the substratum of the current crisis. The crucial parameter of these transfers is the dissimilarity of trade-production structure between the Greek economy and the hard core of its commercial competitors (Eurozone), which is expressed in Greek terms of trade deterioration.