

Sraffian Supermultiplier readings

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1 Simulation

1.1 (fazzari et al., 2020) - “Demandled growth and accommodating supply”

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|-----------------------------|---|
| Background | Heterodox growth models usually does not pay attention to supply-demand interations |
| Supporting Ideas | Some usual simplifying hypothesis may not be reasonable in developed (mature) countries. Supply side factos should be included into the analysis |
| Contribution | Links supply side factos (<i>i.e.</i> labour supply and productivity) to demandled growth mode. |
| Relevance | Calibrates data that can be used for other simulations (my own for instance). Presentes some really interesting figures to show model dynamics. |
| Methods | Simulation calibrated by real US Data |
| Results | Demand leads supply even when growth is near of full capacity/employment. Autonomous expenditure generates different path along with supply converges. Supply only constrains growth, but not its trajectory. |
| Interesting Findings | Model is related to "Secular Stagnation" discussion. Points out that a shift in income distribution could generates higher growth rates if it is associated with changes in capitalists consumption. Demand-side austeriy programs would decrease supply growth rate, so "output gap" seems to desapear, but is a result of slower growth rate (and lower supply response). |
| Critics | Authors could discuss in more details the economic meaning of supply side equations (5, 6) |
| Uncategorized stuff | Differently from others SSM models, Fazzari et al. (2020) presents the model in terms of desired capital-output ratio. |

References

FAZZARI, S. M.; FERRI, P.; VARIATO, A. M. Demandled growth and accommodating supply. **Cambridge Journal of Economics**, v. 44, n. 3, 2020.