Eckhard Hein

Distribution and Growth after Keynes: A Post-Keynesian Guide (Edward Elgar 2014)

<u>Errata</u>

Chapter 1: Introduction

p. 8: Equations (1.11), (1.11a) and (1.11b) should be:

(1.11) $\qquad \left(1 - \hat{h}\right)_{LI} = \hat{w} - \hat{p} - \hat{y}$.

(1.11a) $\qquad \left(1 - \hat{h}\right)_{LI} > 0, \quad \text{if:} \quad \hat{w} > \hat{p} + \hat{y}$,

(1.11b) $\qquad \left(1 - \hat{h}\right)_{LI} < 0, \quad \text{if:} \quad \hat{w} < \hat{p} + \hat{y}$.

p. 9: last paragraph, in the 2nd line it should be:
… except for Italy and the US, higher inflation rates …

p. 13: in the 2nd and 3rd line it should be:
… labour productivity growth, real long-term interest rates and inflation rates on average …

p.14: note 1 in Table 1.1 should be:
West Germany from 1960 to 1992.

p. 15: 2nd paragraph, in the 14th to 16th line it should be:
… The only exceptions to this were Spain and the US during the cycle of early 2000s, the former benefitting ….

p. 15: 2nd paragraph, in the last line it should be:
… could be observed, and Japan with an increase in the cycle of the 1980s.

Chapter 2: From Keynes to Domar and Harrod: considering the capacity effect of investment and an attempt at dynamic theory

p. 32: last paragraph, in the 7th line it should read:
… intersection of the saving function (σ) from equation (2.9) …

Chapter 3: Neoclassical distribution and growth theory: old and new – and a critique

p. 72: 2nd paragraph, in the fourth line it should be:
… Figures 3.8 and 3.9 …

p. 73: in Figure 3.8 it should be:
log y_B

p. 81: 4th paragraph, in the last but one line it should be:
… intermediate products (x_i). …

Chapter 4: Post-Keynesian distribution and growth theories I: Kaldor, Pasinetti, Thirlwall and Robinson

p. 158, equation (4.45) should be:

$$(4.54) \quad s_\Pi = \frac{S_\Pi}{\Pi} = \frac{\Pi - R + s_R R}{\Pi} = s_C + s_R(1 - s_C)$$

Chapter 5: Post-Keynesian distribution and growth theories II: Kalecki and Steindl

p. 187, equations (5.6) and (5.7) should be:

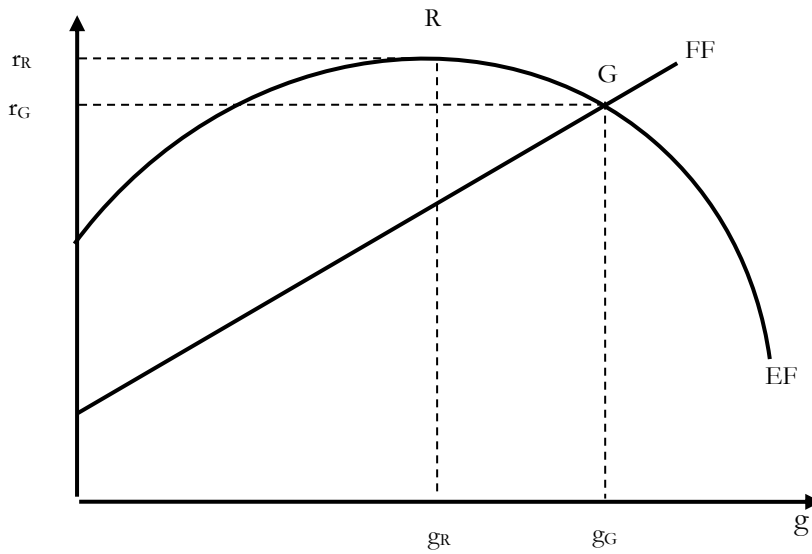$$(5.6) \quad \left(\frac{\Pi}{Y}\right)_j = m_j\left(wa_j + p_m\mu_j\right) = m_j wa_j\left(1 + z_j\right),$$

$$(5.7) \quad h_j = \frac{\Pi_j}{\Pi_j + W_j} = \frac{m_j wa_j\left(1 + z_j\right)}{m_j wa_j\left(1 + z_j\right) + wa_j} = \frac{\left(1 + z_j\right)m_j}{\left(1 + z_j\right)m_j + 1} = \frac{1}{1 + \dfrac{1}{\left(1 + z_j\right)m_j}}$$

p. 199, equation (5.23) can be improved making use of $W^{net} = \dfrac{(1-h)\Pi^{net}}{h}$ and should thus be:[1]

$$(5.23) \quad \Pi^{net} = \frac{p_K I + G - T + p_X X - p_M M}{s_\Pi + s_W \dfrac{1-h}{h}}.$$

---

[1] I am most grateful to Won Jun Nah for pointing this out to me.
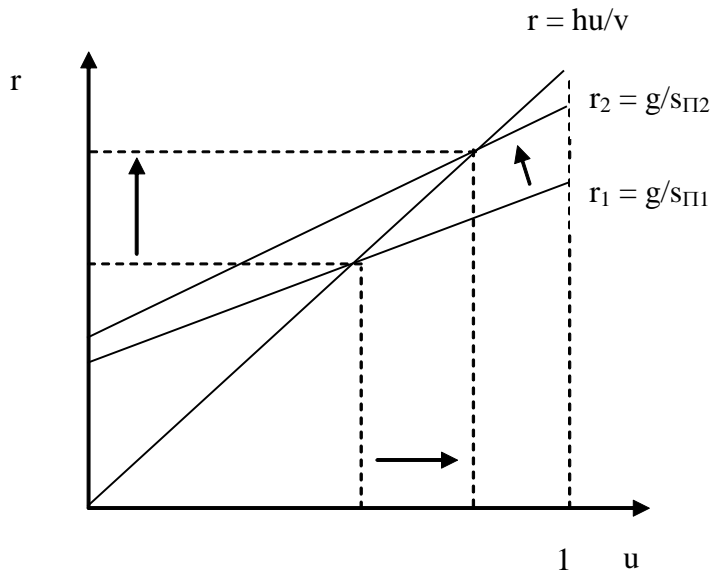
p. 209: Figure 5.3 should be:

Source: Based on Lavoie (1992, p. 117)

Figure 5.3: Maximum rate of profit and maximum rate of growth of the firm

Chapter 6: The basic Kaleckian distribution and growth models

p. 255: Figure 6.4 b) should be:

b) *Profit rate and capacity utilisation*

Figure 6.4: Reducing the propensity to save out of profits in the neo-Kaleckian distribution and growth model: the paradox of saving

p. 261: 1st paragraph, third line shoud be:
depend on the parameters …

p. 265: in Table 6.1 it should be:

Wage-led regime
Wage-led (stagnationist) demand and wage-led accumulation/growth: …

Chapter 7: Extending Kaleckian models I: saving out of wages and open economy issues

p. 274 and p. 282: equation (7.3) should be:

$$(7.3) \quad \sigma = \frac{S_\Pi + S_w}{pK} = \frac{s_\Pi \Pi + s_w(pY - \Pi)}{pK} = \left[s_w(1-h) + s_\Pi h \right]\frac{u}{v} = \left[s_w + (s_\Pi - s_w)h \right]\frac{u}{v},$$
$$0 \le s_w < s_\Pi \le 1,$$

p. 289: equations (7.26) and (7.28) should be:

$$(7.26) \quad S = pI + pX - ep_f M = pI + NX$$

$$(7.28) \quad \sigma = \frac{S_\Pi + S_w}{pK} = \frac{s_\Pi \Pi + s_w(pY - \Pi)}{pK} = \left[s_w + (s_\Pi - s_w)h \right]\frac{u}{v}, \quad 0 \le s_w < s_\Pi \le 1.$$

p. 292: equations (7.35a) and (7.35b) should be:

$$(35a) \quad \frac{\partial b^*}{\partial s_\Pi} = \frac{\phi \dfrac{h}{v} u}{\left[s_w + (s_\Pi - s_w)h \right]\dfrac{1}{v} - \beta + \phi} > 0,$$

$$(35b) \quad \frac{\partial b^*}{\partial s_w} = \frac{\phi(1-h)\dfrac{1}{v} u}{\left[s_w + (s_\Pi - s_w)h \right]\dfrac{1}{v} - \beta + \phi} > 0.$$
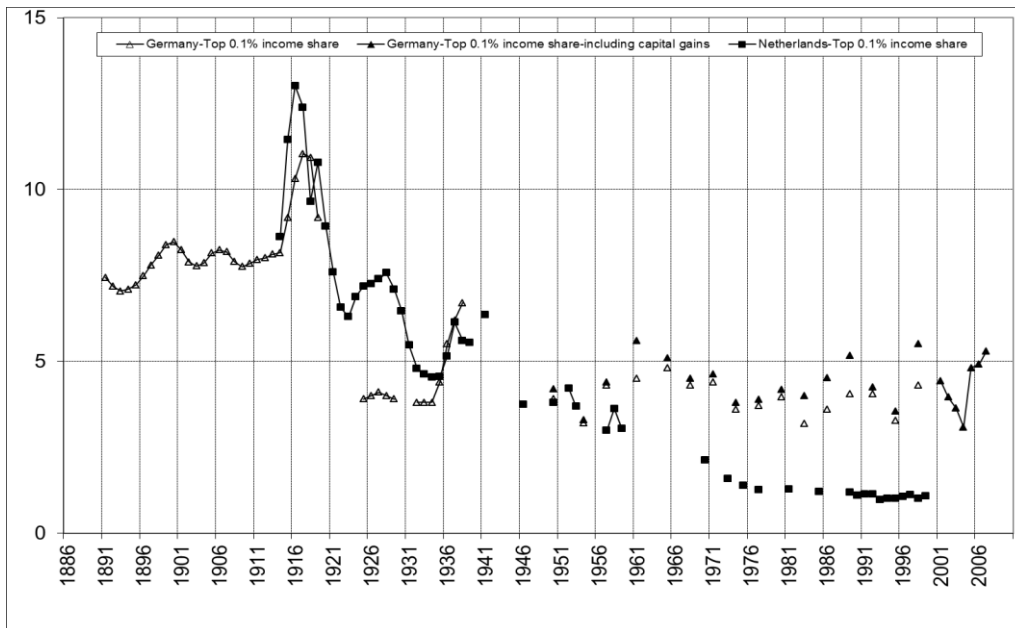
Chapter 8: Extending Kaleckian models II: technical progress

p. 315: equation (8.3) should be:

$$(8.3) \quad \sigma = \frac{S_\Pi + S_w}{pK} = \frac{s_\Pi \Pi + s_w(pY - \Pi)}{pK} = \left[s_w + (s_\Pi - s_w)h \right]\frac{u}{v}, \quad 0 \le s_w < s_\Pi \le 1.$$

Chapter 10: Extending Kaleckian models IV: finance-dominated capitalism

p. 386: Figure 10.4 should be:

Note: In percentages.
Source: Hein (2014, p. 9). Data source: Alvaredo et al. (2012).

Figure 10.4 Top 0.1 per cent share in national income in Germany and the Netherlands

p. 389: Figure 10.7: Keys exceed the frame

p. 398: Equation (10.10) should be:

$$(10.10) \qquad g = \frac{pI}{pK} = \alpha + \beta u + \tau h - \theta \rho \gamma, \qquad \beta, \tau, \theta \geq 0 .$$

Appendix

p. 482: Equation (A.1.4b) should be:

$$(A.1.4b) \qquad \frac{\partial y}{\partial t}\frac{1}{y} = \frac{\partial x}{\partial t}\frac{z}{xz} + \frac{\partial z}{\partial t}\frac{x}{xz}$$