

A policy mix of equality-led development and public investment

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Outline

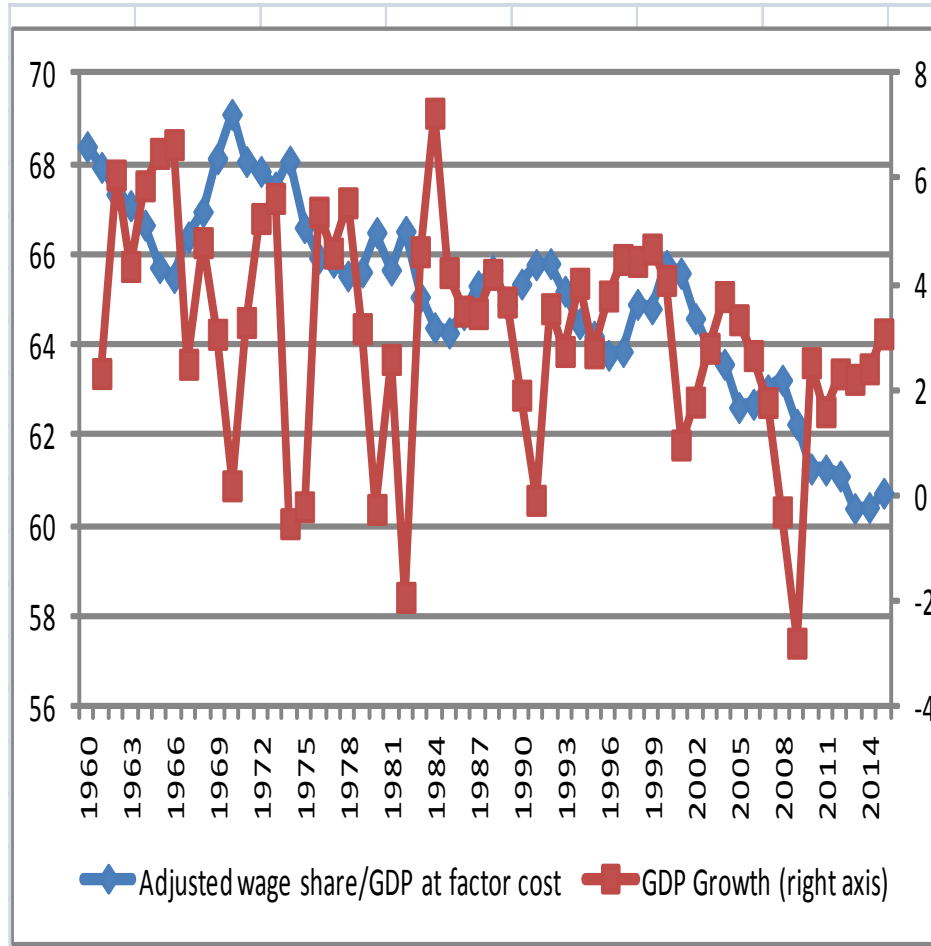
- Rising inequality
- +Austerity
- +Financialization
- = demand deficiency
- = slow down in accumulation
- =Stagnation in productivity
- Policy mix of equality-led development and public investment

Third phase of the Great Recession

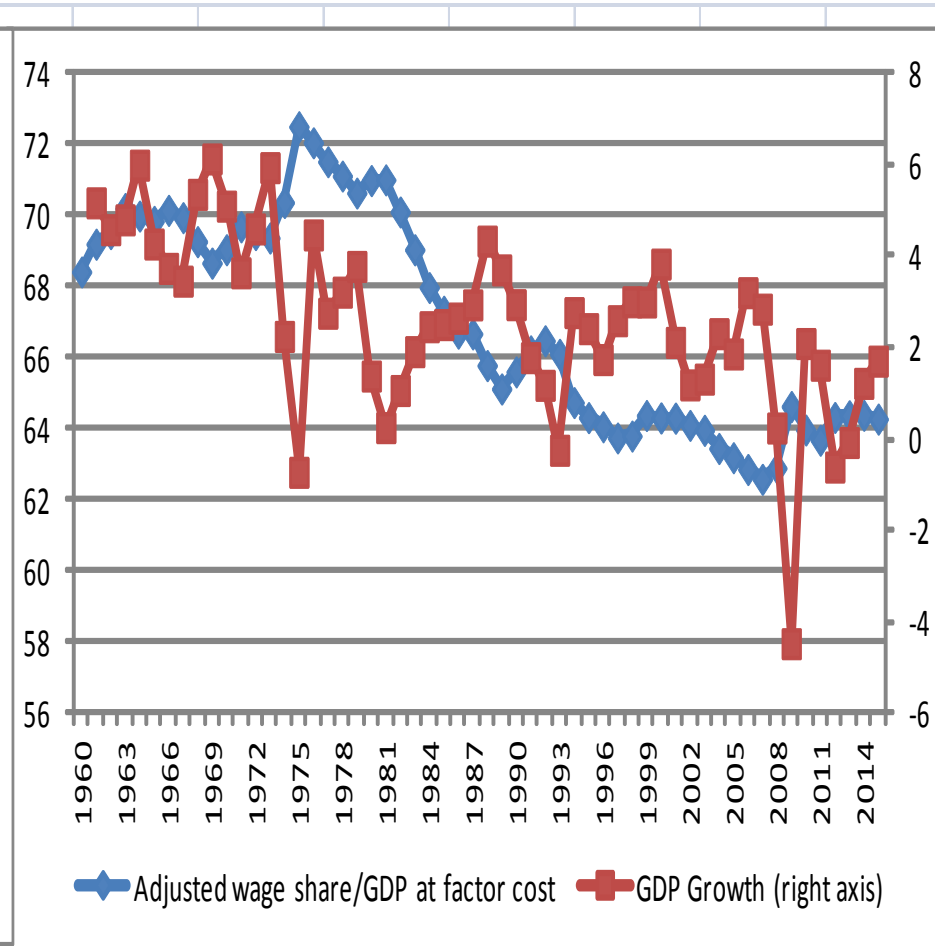
- Emerging market bubble fuelled by capital flows thanks to cheap Central Bank lending in the core is about to burst
 - 80% of growth in the global economy;
 - China and other emerging economies cannot anymore be the locomotive of growth in G7.
- G7 countries have done very little to change the fundamentals of their economic growth model which were at the root of the Great Recession
- A vicious circle of chronically low demand, low accumulation, low growth and fewer or bad quality jobs
- Despite increasing profits private investment remained weak in the advanced economies; firms directed their profits to financial speculation
- Financialization, wage restraint and inequality: major brakes against growth

Wage share vs. growth

US, 1960-2015



EU15, 1960-2015



Capital gobbles labour's share, but victory is empty

The big picture

Steve Johnson
looks at the
wider negative
implications of
falling wages

In 1958, Walter Reuther, a powerful US union leader was taken on a tour of a newly automated Ford Motor plant. "Aren't you worried about how you're going to collect union dues from all these machines?" he was asked by a (no doubt smug) company manager.

"The thought that occurred to me," Mr Reuther replied, "was how are you going to sell cars to these machines?"

Fifty-five years on, such a debate may be even more pertinent. In the innocent days of 1958, wages accounted for half of America's gross domestic product.

labour's share of the pie than the US or UK.

Richard Lewis, head of global equities at Fidelity Worldwide Investment, who has studied this trend, believes it to be structural rather than cyclical, and therefore unlikely to reverse.

Mr Lewis says globalisation has "lowered the power of labour to bargain," resulting in de-unionisation and the "emasculatation" of workers.

Simultaneously, companies have been able to optimise their tax regimes and can engage in both "financial expense" arbitrage (borrowing in the cheapest countries) and regulatory arbitrage.

Most importantly, however, he says globalisation and a move towards supranational corporate entities has made it possible for companies to consolidate their industries more effectively.

What all this means for the investment community is perhaps a little less clear.

labour will continue to be squeezed.

Frances Hudson, global thematic strategist at Standard Life Investments, believes this geographic divide opens the way for relative value trades that favour companies in countries that are becoming more competitive.

To complicate matters further, the academics found the global effect of a squeeze on labour was negative, as the heightened export competitiveness enjoyed by countries with weak wage growth simply reduced the competitiveness of its trading partners – a form of "beggar thy neighbour". A one percentage point fall in labour's share was found to reduce global GDP by 0.36 points.

With this in mind, Mr Greenberg believes we may have to start thinking about a "post-growth" world. "The revenue numbers of the S&P 500 are basically stagnant. Is that going to reverse any time soon? I don't see how it



In 1958, labour's share of economic output accounted for half of US GDP, but this has fallen to 42% today. Increasing globalisation and technology, this has fallen to 42%

right all along, and that capitalism ultimately sows the seeds of its own destruction, "when there is no consumer demand and it all falls over".

Mr Greenberg paints a picture of a bleak future

with, barring a "mass uprising", "McJobs" increasingly the norm.

"One thing that does need to change is the idea of shareholder value being the only responsibility of a company," he says, alluding

to the 19th century, "who took responsibility for their employees and communities. The sense that you have a responsibility for your employees and communities."

Mr Reuther doubt have con



FT 2011

↓labour share: "threat to recovery"

"The decline in the labour share, along with a shift of labour income towards higher earners, may be an important part of why the US economic recovery is so sluggish. *Workers on lower wages consume much of their income, while higher wage earners and those with capital income are more likely to save.*"

Robin Harding, "Pay gap a \$740bn threat to US recovery", Financial Times, December 14, 2011

Empirics:

What happens when wage share↓?

- G20: Onaran & Galanis 2012, UN/ILO
- EU15: Onaran and Obst, 2015, FEPS
- Estimate the effects on each component of aggregate demand
 - Consumption
 - Private Investment
 - Exports-Imports
 - National multiplier
 - Global or regional effects of a simultaneous fall in the wage share
 - Effects of changes in trade partners' wage share via changes in
 - import prices
 - trade partners' GDP

Summary of the results

(Onaran & Galanis 2012, UN/ILO; Onaran and Obst 2015 FEPS)

- Domestic demand (consumption+investment) is wage-led
- Large/relatively closed economies are wage-led
 - ↑wage share : egalitarian; does not harm growth potential
 - EU as a whole, US, Japan, as well as Turkey, Korea
- although some individual states have a profit-led regime- e.g. if a small country, Austria or Ireland is the only one who decreases labor share, it can grow, but if every country does the same, they all contract
- Global race to the bottom: a 1%-point fall in the wage share
 - global GDP↓ by 0.36%; EU15 GDP↓ by 0.27%
- Conversely a global wage-led recovery scenario:
 - Global GDP↑ by 3.05%, EU GDP ↑ by 2.4%
- Fallacy of composition
- Planet earth is wage-led, unless we trade with Mars!
- Economic recovery needs a pay rise

Wage-led growth in the age of globalization?

- Globalization is not a barrier to these policies.
- the limits of strategies of international competitiveness based on wage competition in a highly integrated global economy
- Economic globalization may make small open economies more likely to be profit-led
- But political globalization → race to the bottom in labour share
 - international competitiveness effects are eliminated
 - makes economies more likely to be wage-led
- Europe is one of the main beneficiaries of coordinated wage-led growth.
 - Hence potentially policy leader

Financialization, distribution, accumulation, productivity

- Missing link between profits and investment
- The non-financial companies' financial activities → private investment↓
 - Interest payments+dividends to shareholders as well as their financial revenues (Tori and Onaran, 2015, EU15)
 - Orhangazi 2008; van Treeck 2008; Stockhammer 2006
- Increasing profits does not always lead to higher private investment
 - increasing demand → investment↑↑
 - Investment is wage-led in 8 out of 15 EU MS (Onaran and Obst, 2015)
- Financialization + inequality→lower productivity & potential growth

A coordinated policy mix of wage-led recovery and public investment

- Effects of wage-led recovery on growth and hence employment however is modest, albeit positive.
- ->A wage-led recovery scenario and public investment stimulus in G20 (Onaran 2014 L20)
- increase wage share by 1%-5% +public investment by 1% of GDP in each country in the next 5 years in G20
- →3.9-5.84% more growth in G20
- Only wage-led recovery: 1.96% more growth in G20
- Only public investment : 1.94-3.88% higher growth in G20
- Potential crowding in effects of public investment on private investment
→ growth ↑

Policy Implications

- mobilize all the tools of economic policy with an aim to achieve full employment, ecological sustainability, and equality.
→ importance of wage and fiscal policy coordination
- 1. Avoid beggar thy neighbour policies
- Coordination of wage bargaining systems to prevent a race to the bottom
- In the Euro area: wage policy has to take into account current account positions
- To avoid a deflationary adjustment: substantially higher wage growth in Germany
- Developing countries: Space for domestic-demand led & more equal growth
 - Alternative to pure export-led growth ; south-south cooperation
- Productivity-oriented wage policy to stabilize effective demand
- A wage-led development strategy requires policies targeting the top, middle, and bottom of the wage distribution.

...Policy Implications

- 1.1. Pre-distributive policies
 - Increase the bargaining power of labour via
 - reregulating the labour market
 - improving the union legislation,
 - increasing the coverage of collective bargaining,
 - Close gender wage gaps
 - establishing sufficiently high minimum wages
 - regulating high/executive pay by enforcing pay ratios

...Policy Implications

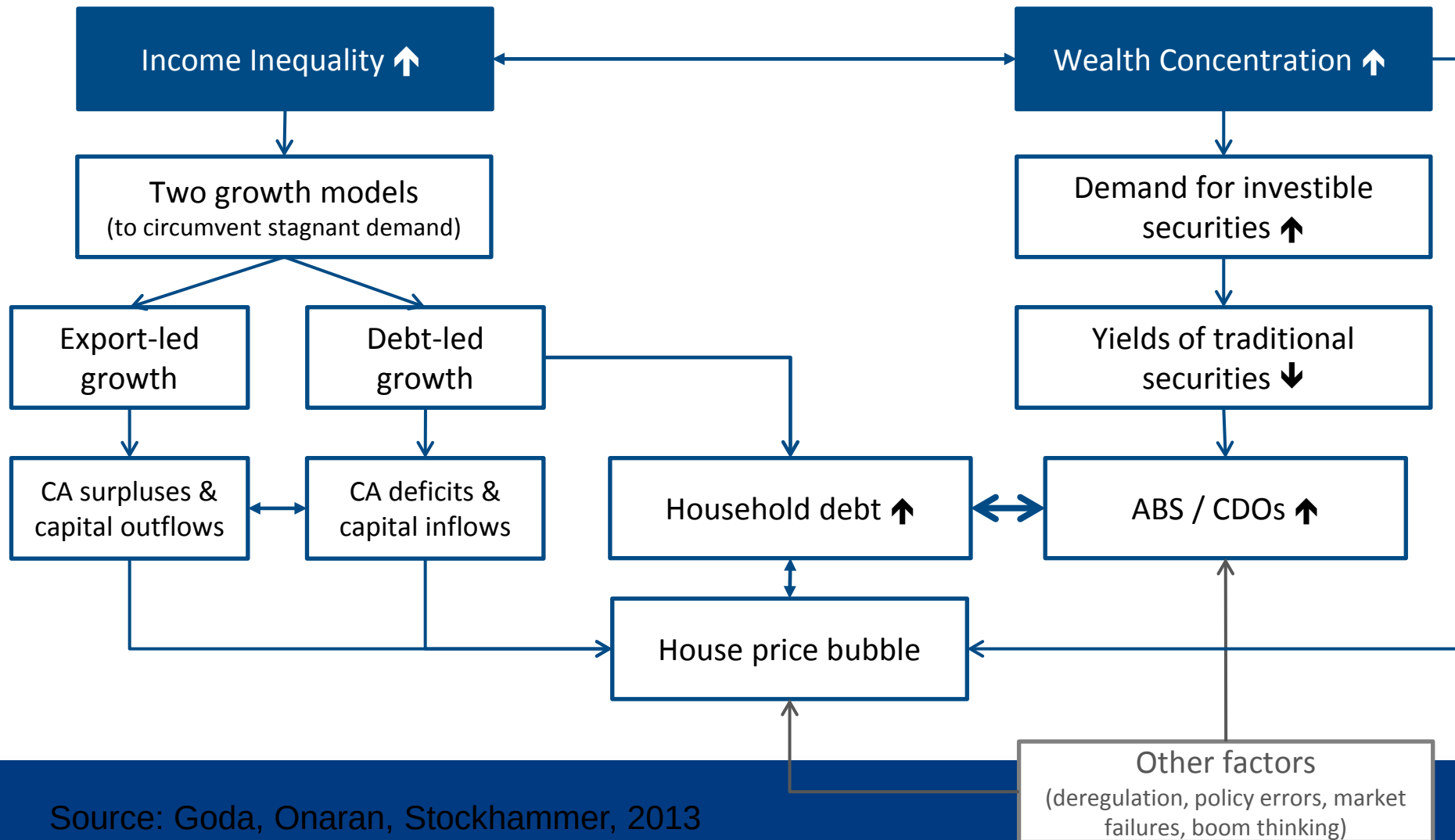
- 1.2. Re-distribution: median linked taxation of high incomes and wealth holdings
 - Goda, Onaran, Stockhammer 2013
 - Higher marginal top income tax rates
 - e.g. 10/70 income tax rule:
 - rate of 70% for income above 10 times the median income
 - Wealth tax
 - 100/10 wealth tax rule:
 - 10% wealth tax on personal net wealth that is above 100 times the median wealth (excluding primary residence and own businesses)
 - Higher inheritance tax rates
 - 100/90 inheritance tax rule:
 - highest marginal tax rate of 90% for inheritance above 100 times the median wealth

... Policy Implications: Macro economic context

- 2.1. Bring the welfare state back
- 2.2. Reverse financialisation; reregulate finance
- 2.3. public investment in social and physical infrastructure
 - Physical infrastructure: green investment
 - Social infrastructure: Purple investment
 - create jobs in labour intensive services -education, child care, nursing homes, health, community and social services
 - More jobs with lower growth
 - improve pay and working conditions in these industries
 - different from the former reliance on low pay service jobs with weaker labour unions
 - socializing the invisible care
- 2.4 Substantially shorten working time in parallel with the historical growth in productivity.
- Recovery and sustainability needs green and purple public jobs for women and men with pay rise!

- Appendices

Distributional issues are at the very root of the Great Recession and Stagnation



A wage-led recovery scenario and public investment stimulus

	Only wage led-recovery		Coordinated public investment stimulus of 1% of GDP					Policy mix: coordinated wage-led recovery+public investment of 1% of GDP			
	Increase in the wage share	Growth	Multiplier Onaran and Galanis (2012) (3)	Growth with multiplier in Onaran and Galanis	Growth with Multiplier=1.22 for all countries (4)	Growth with Multiplier=1.8 (5)	Growth with Multiplier=0.5 (6)	Growth with multiplier in Onaran and Galanis	Growth with Multiplier=1.22 for all countries (4)	Growth with Multiplier=1.8 (5)	Growth with Multiplier=0.5 (6)
	A	B	C	D	E	F	G	H=B+D	I=B+E	J=B+F	K=B+G
Euro area (12 countries)	5	1.19	1.59	3.13	2.30	3.39	1.56	4.32	3.49	4.58	2.75
United Kingdom	5	1.06	1.20	2.37	2.04	3.01	1.18	3.43	3.10	4.06	2.24
United States	5	4.55	2.08	5.29	3.16	4.66	2.64	9.84	7.71	9.21	7.20
Japan	5	0.77	2.41	6.46	3.38	4.98	3.23	7.23	4.15	5.75	4.00
Canada	3	1.61	1.21	4.10	3.12	4.60	2.05	5.72	4.73	6.21	3.66
Australia	1	0.11	1.41	1.99	1.72	2.54	0.99	2.09	1.83	2.64	1.10
Turkey	5	3.42	2.21	4.87	2.69	3.97	2.44	8.30	6.11	7.39	5.86
Mexico	3	0.79	1.11	2.73	2.28	3.37	1.36	3.51	3.07	4.16	2.15
Korea	5	4.34	1.82	9.53	6.09	8.99	4.76	13.87	10.44	13.33	9.11
Argentina	3	0.68	1.38	3.34	2.58	3.81	1.67	4.03	3.26	4.49	2.36
China	1	2.01	1.23	6.06	4.33	6.39	3.03	8.07	6.34	8.40	5.04
India	3	0.13	2.18	4.75	2.66	3.92	2.38	4.89	2.79	4.06	2.51
South Africa	1	0.75	1.49	3.71	2.75	4.05	1.85	4.46	3.50	4.80	2.60
Growth in G20 (2)		1.96		3.88	2.42	3.57	1.94	5.84	4.38	5.53	3.90

4. The mean of 98 studies published between 1992 to 2013, providing a sample of 1882 observations of multiplier values for public investment in Gechert, S. (2013) ; 5. The high value of capital spending multiplier reported in IMF 2009 6. The low value of capital spending multiplier reported in IMF 2009

(1%-point decrease in the wage share)

Estimation results for G20, Onaran & Galanis 2012, UN/ILO

Wage led

	C/Y	I/Y	X/Y	M/Y	NX/Y	% change in total private excess demand
Euro zone-12	-0.439	0.299	0.057	0.000	0.057	-0.084
Germany	-0.501	0.376	0.096	0.000	0.096	-0.029
France	-0.305	0.088	0.036	-0.162	0.198	-0.020
Italy	-0.356	0.130	0.037	-0.089	0.126	-0.100
United Kingdom	-0.303	0.120	0.048	-0.110	0.158	-0.025
United States	-0.426	0.000	0.006	-0.031	0.037	-0.388
Japan	-0.353	0.284	0.028	-0.026	0.055	-0.014
Canada	-0.326	0.182	0.063	-0.203	0.266	0.122
Australia	-0.256	0.174	0.049	-0.223	0.272	0.190

The effects of a 1%-point increase in the profit share

	C/Y	I/Y	X/Y	M/Y	NX/Y	% change in total private excess demand
Turkey	-0.491	0.000	0.140	-0.144	0.283	-0.208
Mexico	-0.438	0.153	0.128	-0.253	0.381	0.096
Korea	-0.422	0.000	0.178	-0.181	0.359	-0.063
Argentina	-0.153	0.015	0.014	-0.178	0.192	0.054
China	-0.412	0.000	1.095	-0.891	1.986	1.574
India	-0.291	0.000	0.080	-0.230	0.310	0.018
South Africa	-0.145	0.129	0.000	-0.506	0.506	0.490

	The effect of a 1%-point increase in the profit share in only one country on private excess demand/Y	The effect of a 1%-point increase in the profit share in only one country on % change in aggregate demand (A*multiplier)	The effect of a simultaneous 1%-point increase in the profit share on the % change in aggregate demand (including effects of trade partners' export prices and GDP))
	A	B	D
Euro area-12	-0.084	-0.133	-0.245
United Kingdom	-0.025	-0.030	-0.214
United States	-0.388	-0.808	-0.921
Japan	-0.014	-0.034	-0.179
Canada	0.122	0.148	-0.269
Australia	0.190	0.268	0.172
Turkey	-0.208	-0.459	-0.717
Mexico	0.096	0.106	-0.111
Korea	-0.063	-0.115	-0.864
Argentina	0.054	0.075	-0.103
China	1.574	1.932	1.115
India	0.018	0.040	-0.027
South Africa	0.490	0.729	0.390

global GDP↓ by 0.36%

A wage-led recovery scenario (Onaran and Galanis 2012)

	Scenario 2	
	Change in profit share	The % change in aggregate demand (includes national and global multiplier effects, i.e. changes in Pm and Yrw)
Euro area-12	-11.05	2.36
United Kingdom	-7.83	1.91
United States	-6.31	6.15
Japan	-16.71	1.49
Canada	-3.00	2.84
Australia	-3.00	0.03
Turkey	-18.41	10.81
Mexico	-3.00	1.45
Korea	-8.64	7.46
Argentina	-3.00	1.27
China	-1.00	5.56
India	-3.00	0.43
South Africa	-1.00	1.93

Global GDP↑ by 3.05%,
Planet earth is wage-led!

Source: Onaran and Galanis (2012)

Consumption (C)

$$C = c_0 + c_w W + (c_\pi) R$$

c_w marginal propensity to consume out of wages

c_π marginal propensity to consume out of profits

$$c_\pi < c_w$$

Add Yagriculture for the DCs if significant

Private Investment (I)

Private Investment depends on

Profitability (profit share)

Demand (sales & production (output))

Capacity utilization – proxy Y (accelerator effect)

$$I = i_A + i_Y Y + i_\pi \pi$$

- stepwise approach
- domestic prices=f(nominal unit labor costs, import prices)
- export prices =f(nominal unit labor costs, import prices)
- Exports= f(export price/import price, Y_{rw})

$$\frac{\partial X / Y}{\partial (WS)} = \left(\frac{\partial X}{\partial P_x} \frac{\partial P_x}{\partial (ulc)} \frac{\partial (ulc)}{\partial (rulc)} \frac{\partial (rulc)}{\partial (ws)} \right) \frac{X / Y}{rulc}$$

$$= (e_{XP_x} e_{P_x ULC} \frac{1}{1 - e_{P ULC}} \frac{Yf}{Y}) \frac{X / Y}{rulc}$$

- real unit labor costs=wage share*GDP at factor cost/GDP
- nominal unit labor costs=P*real unit labor costs
- Except Turkey, Mexico, South Africa exports=f(rulc); otherwise insignificant
- X, M: exchange rate mostly insign

The effect of a change in the profit share on total private demand

$$\frac{\partial Y}{\partial \pi} = (c_{\pi} - c_w) \frac{C/Y}{\pi} + i_{\pi} \frac{I/Y}{\pi} + \frac{\partial NX}{\partial \pi}$$

- Depends on the effect of distribution (π) on
 - consumption (-),
 - investment (+),
 - net exports(+)
- Negative: wage led
 - high consumption differentials (strong reaction of C to π),
 - low positive effect of an increase in π on I
 - Low positive effects on net exports
- Positive: profit led

$$\begin{bmatrix} \Delta Y \\ Y \end{bmatrix}_{nx1} = \begin{bmatrix} \frac{\Delta Y_1}{Y_1} \\ \vdots \\ \frac{\Delta Y_n}{Y_n} \end{bmatrix} = E_{n \times n} \begin{bmatrix} \Delta \pi_1 \\ \vdots \\ \Delta \pi_n \end{bmatrix} + P_{n \times n} \begin{bmatrix} \Delta \pi_1 \\ \vdots \\ \Delta \pi_n \end{bmatrix} + H_{n \times n} \begin{bmatrix} \frac{\Delta Y_1}{Y_1} \\ \vdots \\ \frac{\Delta Y_n}{Y_n} \end{bmatrix} + (W_{n \times n}) \begin{bmatrix} \frac{\Delta Y_1}{Y_1} \\ \vdots \\ \frac{\Delta Y_n}{Y_n} \end{bmatrix}$$

$$E_{n \times n} = \begin{bmatrix} \frac{\Delta C}{Y_1} + \frac{\Delta I}{Y_1} + \frac{\Delta NX}{Y_1} & 0 & \dots & 0 \\ \Delta \pi_1 & \vdots & \vdots & \vdots \\ 0 & \ddots & \ddots & \vdots \\ \vdots & \dots & \ddots & \vdots \\ 0 & \dots & \dots & \frac{\Delta C}{Y_n} + \frac{\Delta I}{Y_n} + \frac{\Delta NX}{Y_n} \\ & & & \Delta \pi_n \end{bmatrix}$$

$$P_{n \times n} = \begin{bmatrix} 0 & \frac{\Delta NX}{Y_1} \frac{M_{21}}{\Delta \pi_2} & \dots & \frac{\Delta NX}{Y_1} \frac{M_{n1}}{\Delta \pi_n} \\ \frac{\Delta NX}{Y_2} \frac{M_{12}}{\Delta \pi_1} & 0 & \vdots & \frac{\Delta NX}{Y_2} \frac{M_{n2}}{\Delta \pi_n} \\ \vdots & \dots & \ddots & \vdots \\ \frac{\Delta NX}{Y_n} \frac{M_{1n}}{\Delta \pi_1} & \frac{\Delta NX}{Y_n} \frac{M_{2n}}{\Delta \pi_2} & \dots & 0 \end{bmatrix}$$

$$H_{n \times n} = \begin{bmatrix} \frac{\delta C_1}{\delta Y_1} + \frac{\delta I_1}{\delta Y_1} - \frac{\delta M_1}{\delta Y_1} & 0 & \dots & 0 \\ 0 & \ddots & \vdots & \vdots \\ \vdots & \dots & \ddots & \vdots \\ 0 & \dots & \dots & \frac{\delta C_n}{\delta Y_n} + \frac{\delta I_n}{\delta Y_n} - \frac{\delta M_n}{\delta Y_n} \end{bmatrix}$$

$$W_{n \times n} = \begin{bmatrix} 0 & e_{XY_{rw1}} \frac{X_1 Y_2}{Y_1 Y_w} & \dots & e_{XY_{rw1}} \frac{X_1 Y_n}{Y_1 Y_w} \\ e_{XY_{rw2}} \frac{X_2 Y_1}{Y_2 Y_w} & 0 & \vdots & e_{XY_{rw2}} \frac{X_2 Y_n}{Y_2 Y_w} \\ \vdots & \dots & \ddots & \vdots \\ e_{XY_{rwn}} \frac{X_n Y_1}{Y_n Y_w} & e_{XY_{rwn}} \frac{X_n Y_2}{Y_n Y_w} & \dots & 0 \end{bmatrix}$$

Global Multiplier

$$\begin{bmatrix} \frac{\Delta Y_1}{Y_1} \\ \vdots \\ \frac{\Delta Y_n}{Y_n} \end{bmatrix} = (I_{n \times n} - H_{n \times n} - W_{n \times n})^{-1} (E_{n \times n} + P_{n \times n}) \begin{bmatrix} \Delta \pi_1 \\ \vdots \\ \Delta \pi_n \end{bmatrix}$$

	c	t-value	dlog(Rt)	t-value	dlog(Wt)	t-value	DW	R2	Sample						
Euro area-12	0.006	3.110	0.127	3.716	0.739	15.406	1.871	0.873	1961 2007						
Germany	0.007	2.439	0.091	1.576	0.714	10.162	1.954	0.713	1961 2007						
France	0.007	3.153	0.137	4.717	0.640	10.770	2.120	0.771	1961 2007						
Italy	0.008	2.474	0.167	4.101	0.711	8.621	1.515	0.705	1961 2007						
Australia	0.017	4.394	0.098	3.295	0.440	5.463	1.831	0.411	1961 2007						
	c	t-value	dlog(Rt)	t-value	dlog(Wt)	t-value	ar(1)	t-value	DW	R2	Sample				
UK	0.006	1.501	0.162	5.200	0.735	6.852	0.331	2.173	1.838	0.683	1962 2007				
Canada	0.007	1.911	0.160	6.268	0.659	6.852	0.411	2.904	1.935	0.725	1962 2007				
	c	t-value	dlog(Rt)	t-value	dlog(Wt)	t-value	dlog(Rt-1)	t-value	dlog(Wt-1)	t-value	dlog(Ct-1)	t-value	DW	R2	Sample
US	0.012	4.048	0.181	4.968	0.536	6.509	-0.114	-2.523	-0.140	-1.389	0.247	1.517	2.017	0.822	1962 2007
	c	t-value	dlog(Rt-1)	t-value	dlog(Wt-1)	t-value	DW	R2	Sample						
Japan	0.011	2.256	0.083	2.103	0.611	6.747	2.300	0.599	1962 2007						

Consumption

	c	t-value	dlog(Rt)	t-value	dlog(Wt)	t-value	dlog(Rt-1)	t-value	dlog(Wt-1)	t-value	dlog(Ct-1)	t-value	DW	R2	Sample		
Turkey	0.008	0.506	0.328	2.840	0.316	2.432	0.088	0.688	0.275	1.824	-0.151	-0.873	1.803	0.320	1972 2006		
	c	t-value	dlog(Rt)	t-value	dlog(Wt)	t-value	DW	R2	Sample								
Korea	-0.004	-0.411	0.072	3.820	0.845	7.603	2.073	0.641	1971 2007								
Argentina	0.003	0.575	0.430	7.927	0.579	13.903	1.944	0.855	1971 2007								
	c	t-value	dlog(Rt)	t-value	dlog(Wt)	t-value	AR(1)	t-value	DW	R2	Sample						
Mexico	0.006	1.263	0.376	7.625	0.566	17.015	0.477	3.021	1.878	0.905	1972 2007						
	c	t-value	dlog(Rt)	t-value	dlog(Wt)	t-value	dlog(Rt-1)	t-value	dlog(Wt-1)	t-value	DW	R2	Sample				
China	-0.014	-0.690	0.443	3.730	0.400	1.629	-0.198	-1.604	0.375	1.702	2.020	0.593	1980 2007				
	c	t-value	dlog(Rt)	t-value	dlog(Wt)	t-value	dlog(Rt-1)	t-value	dlog(Wt-1)	t-value	dlog(Yat)	t-value	dlog(Yat-1)	t-value	DW	R2	Sample
India	0.003	0.530	0.123	3.270	0.586	4.317	0.028	0.903	0.158	1.319	-0.009	-0.100	-0.168	-2.324	1.894	0.809	1972 2007
	c	t-value	dlog(Rt)	t-value	dlog(Wt)	t-value	dlog(Yat)	t-value	DW	R2	Sample						
South Africa	0.009	2.939	0.312	9.030	0.785	10.101	-0.061	-3.400	1.926	0.781	1971 2007						

	c	t-value	dlog(Yt)	t-value	dlog(π t)	t-value	dlog(I _{t-1})	t-value	log(I _{t-1})	t-value	log(Y _{t-1})	t-value	log(π t-1)	t-value	DW	R2	Sample
Euro area-12	-0.304	-1.916	2.238	9.801	-0.137	-0.920	0.088	1.105	-0.203	-4.272	0.207	4.545	0.093	2.356	1.820	0.865	1962 2007
Germany	-0.136	-0.628	1.805	6.398	0.058	0.284	0.183	1.683	-0.292	-3.756	0.266	4.283	0.172	2.050	1.829	0.748	1962 2007
	c	t-value	dlog(π t-1)	t-value	dlog(Yt)	t-value	ar(1)	t-value	DW	R2	Sample						
France	-0.027	-2.654	0.139	1.657	2.050	10.505	0.670	5.569	1.832	0.822	1963 2007						
	c	t-value	log(π t-1)	t-value	dlog(Yt)	t-value	dlog(Yt-1)	t-value	DW	R2	Sample						
Italy	0.229	5.449	0.241	6.084	2.094	8.819	0.516	2.421	2.524	0.622	1962 2007						
	c	t-value	log(π t-1)	t-value	dlog(Yt)	t-value	log(I _{t-1})	t-value	log(Y _{t-1})	t-value	DW	R2	Sample				
UK	-1.143	-2.500	0.212	2.513	1.660	5.429	-0.350	-3.392	0.458	3.278	1.870	0.593	1961 2007				
	c	t-value	dlog(π t-1)	t-value	dlog(Yt)	t-value	dlog(Yt-1)	t-value	ar(1)	t-value	DW	R2	Sample				
US	-0.061	-4.519	0.077	0.510	2.738	14.501	0.367	1.824	0.612	4.817	1.697	0.858	1963 2007				
	c	t-value	dlog(π t)	t-value	dlog(I _{t-1})	t-value	dlog(Yt)	t-value	dlog(Yt-1)	t-value	DW	R2	Sample				
Japan	-0.019	-2.845	0.185	2.615	0.485	3.806	1.982	12.339	-1.034	-3.221	2.126	0.924	1962 2007				
	c	t-value	dlog(π t-1)	t-value	dlog(Yt)	t-value	DW	R2	Sample								
Canada	-0.020	-1.711	0.318	1.874	1.780	6.018	1.593	0.530	1962 2007								
	c	t-value	dlog(π t)	t-value	dlog(Yt)	t-value	DW	R2	Sample								
Australia	-0.025	-1.550	0.256	1.857	2.021	5.031	1.821	0.494	1961 2007								

	c	t-value	log(π t)	t-value	dlog(Yt)	t-value	DW	R2	Sample										
Turkey	-0.056	-0.547	0.041	0.294	3.343	6.456	1.743	0.567	1971 2006										
	c	t-value	log(π t)	t-value	log(π t-1)	t-value	dlog(Yt)	t-value	dlog(Yt-1)	t-value	log(lt-1)	t-value	log(Yt-1)	t-value	DW	R2	Sample		
Argentina	0.135	0.111	0.190	2.596	-0.147	-2.165	2.808	19.169	0.325	2.001	-0.164	-3.138	0.147	1.895	1.982	0.943	1972 2007		
	c	t-value	dlog(Yt)	t-value	dlog(π t)	t-value	dlog(π t-1)	t-value	dlog(lt-1)	t-value	log(lt-1)	t-value	log(Yt-1)	t-value	log(π t-1)	t-value	DW	R2	Sample
Mexico	-1.778	-2.722	3.336	13.407	-0.349	-2.044	-0.259	-1.511	-0.040	-0.616	-0.343	-4.383	0.482	3.765	0.170	1.973	2.506	0.923	1972 2007
	c	t-value	dlog(π t-1)	t-value	dlog(Yt)	t-value	dlog(lgt)	t-value	DW	R2	Sample								
Korea	-0.110	-5.834	-0.011	-0.311	2.509	10.320	0.186	1.960	1.589	0.816	1972 2007								
	c	t-value	dlog(π t)	t-value	dlog(Yt)	t-value	DW	R2	Sample										
China	-0.006	-0.064	0.030	0.027	1.664	1.703	1.823	0.126	1982 2007										
	c	t-value	dlog(π t)	t-value	dlog(Yt)	t-value	dlog(lgt-1)	t-value	DW	R2	Sample								
India	-0.018	-0.682	-0.164	-1.190	1.561	3.856	0.402	2.868	2.369	0.421	1972 2007								
	c	t-value	dlog(π t-1)	t-value	dlog(Yt)	t-value	dlog(lt-1)	t-value	log(lt-1)	t-value	log(Yt-1)	t-value	log(π t-1)	t-value	DW	R2	Sample		
South Africa	-2.249	-1.290	-0.283	-1.917	2.512	6.178	0.317	2.795	-0.343	-4.659	0.403	3.796	0.238	1.709	2.243	0.798	1972 2007		

	c	t-value	dlog(ULCt-1)	t-value	dlog(Pmt)	t-value	DW	R2	Sample				
Euro area-12	0.014	3.518	0.624	7.846	0.123	2.915	1.515	0.747	1962 2007				
Italy	0.018	3.525	0.604	9.320	0.202	4.988	1.731	0.827	1962 2007				
UK	0.018	3.018	0.568	6.713	0.190	2.993	2.039	0.691	1962 2007				
Japan	0.013	3.227	0.516	6.833	0.095	3.100	1.666	0.630	1962 2007				
Canada	0.016	3.983	0.459	5.335	0.257	4.481	1.447	0.678	1962 2007				
	c	t-value	dlog(ULCt)	t-value	dlog(Pmt)	t-value	DW	R2	Sample				
Germany	0.012	8.103	0.618	16.023	0.031	1.428	1.491	0.864	1961 2007				
	c	t-value	dlog(ULCt-1)	t-value	dlog(Pt-1)	t-value	dlog(Pmt)	t-value	DW	R2	Sample		
France	0.007	2.360	0.275	2.141	0.522	3.394	0.086	3.281	1.809	0.907	1962 2007		
	c	t-value	dlog(ULCt-1)	t-value	dlog(Pt-1)	t-value	dlog(Pmt)	t-value	dlog(Pmt-1)	t-value	DW	R2	Sample
US	0.009	5.219	0.211	2.710	0.429	4.836	0.109	8.403	0.044	2.590	1.745	0.951	1962 2007
	c	t-value	dlog(ULCt)	t-value	dlog(Pmt)	t-value	dlog(Pmt-1)	t-value	DW	R2	Sample		
Australia	0.016	4.324	0.624	8.856	-0.031	-0.579	0.150	3.429	1.976	0.814	1962 2007		

	c	t-value	dlog(ULCt)	t-value	dlog(Pt-1)	t-value	dlog(Pmt)	t-value	DW	R2	Sample		
Turkey	0.011	0.643	0.354	5.402	0.263	4.280	0.364	7.124	2.196	0.949	1972 2006		
	c	t-value	dlog(ULCt)	t-value	dlog(ULCt-1)	t-value	dlog(Pt-1)	t-value	dlog(Pmt)	t-value	DW	R2	Sample
Mexico	0.008	0.884	0.700	8.642	-0.265	-2.136	0.309	2.875	0.261	7.178	2.387	0.979	1972 2007
	c	t-value	dlog(ULCt)		dlog(Pmt)	t-value	dlog(Pmt-1)	t-value	DW	R2	Sample		
Korea	0.016	3.026	0.735	10.508	0.073	1.709	0.095	2.685	1.887	0.912	1972 2007		
	c	t-value	dlog(ULCt)	t-value	dlog(Pmt)	t-value	DW	R2	Sample				
Argentina	0.002	0.162	0.640	17.025	0.359	9.597	1.828	0.994	1971 2007				
China	0.010	2.126	0.832	12.990	0.022	0.660	1.289	0.883	1979 2007				
India	0.023	5.114	0.756	12.205	0.009	0.401	2.020	0.854	1971 2007				
South Africa	0.033	2.611	0.618	5.634	0.124	1.946	1.897	0.567	1971 2007				



	c	t-value	dlog(ULCt-1)	t-value	dlog(Pxt-1)	t-value	dlog(Pmt)	t-value	DW	R2	Sample						
Euro area-12	0.003	1.670	0.165	3.141	0.102	2.504	0.566	27.168	1.586	0.970	1962 2007						
Germany	0.004	1.557	0.216	2.845	0.214	2.631	0.355	9.780	1.719	0.813	1962 2007						
Italy	0.004	0.960	0.178	2.616	0.156	2.695	0.569	19.040	2.495	0.946	1962 2007						
	c	t-value	log(Pxt-1)	t-value	log(ULCt-1)	t-value	log(Pmt-1)	t-value	dlog(ULCt)	t-value	dlog(Pmt)	t-value	ar(1)	t-value	dw	r2	Sample
France	0.429	3.756	-0.663	-4.558	0.098	1.710	0.475	5.253	-0.117	-1.131	0.545	17.814	0.722	4.160	1.760	0.962	1962 2007
	c	t-value	log(Pxt-1)	t-value	log(ULCt-1)	t-value	log(Pmt-1)	t-value	dlog(ULCt)	t-value	dlog(Pmt)	t-value	dw	r2	Sample		
United Kingdom	0.043	1.592	-0.412	-3.895	0.061	2.120	0.342	4.132	0.179	2.378	0.575	12.748	1.600	0.924	1961 2007		
United States	0.374	3.479	-0.352	-3.238	0.049	1.973	0.223	3.214	0.397	2.765	0.489	11.547	1.929	0.913	1961 2007		
	c	t-value	dlog(ULCt)	t-value	dlog(Pmt)	t-value	DW	R2	Sample								
Japan	-0.012	-4.226	0.313	5.610	0.389	16.889	2.023	0.921	1961 2007								
Australia	0.014	1.263	0.374	1.798	0.316	2.121	1.625	0.352	1961 2007								
	c	t-value	dlog(ULCt)	t-value	dlog(ULCt-1)	t-value	dlog(Pmt)	t-value	DW	R2	Sample						
Canada	0.004	0.632	0.620	3.209	-0.472	-2.712	0.820	8.822	1.932	0.795	1962 2007						

	c	t-value	dlog(ULCt-1)	t-value	dlog(Pmt)	t-value	DW	R2	Sample		
Turkey	-0.013	-0.395	0.179	1.827	0.868	9.972	2.277	0.851	1972 2007		
	c	t-value	dlog(ULCt)	t-value	dlog(Pmt)	t-value	DW	R2	Sample		
Mexico	0.014	0.830	0.260	2.514	0.675	9.619	2.112	0.925	1971 2007		
Argentina	0.014	0.913	0.107	2.858	0.878	23.456	2.014	0.994	1971 2007		
China	-0.008	-0.745	0.315	2.166	1.035	13.921	1.771	0.904	1979 2007		
India	0.022	1.259	0.693	2.879	0.109	1.322	1.711	0.342	1971 2007		
	c	t-value	dlog(ULCt)	t-value	dlog(Pxt-1)	t-value	dlog(Pmt)	t-value	DW	R2	Sample
Korea	-0.013	-1.578	0.336	2.911	0.009	0.127	0.614	9.198	1.703	0.886	1972 2007
	c	t-value	dlog(ULCt)	t-value	dlog(Pmt)	t-value	ar(1)	t-value	DW	R2	Sample
South Africa	0.068	1.660	-0.529	-1.516	0.957	6.374	0.357	1.995	1.699	0.616	1972 2007



	c	t-value	dlog(Px/Pmt)	t-value	dlog(Xt-1)	t-value	dlog(Yrwt)	t-value	dlog(Et)	t-value	DW	R2	Sample
Euro area-12	-0.021	-1.042	-1.304	-4.813	0.161	1.460	1.884	3.821	0.141	1.916	1.683	0.643	1971 2007
France	-0.030	-2.151	-0.314	-2.204	0.265	2.466	2.065	5.952	0.172	2.016	1.765	0.601	1971 2007
	c	t-value	dlog((Px/Pm)t-1)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample				
Germany	0.000	0.002	-0.428	-1.967	1.779	2.911	2.121	0.207	1971 2007				
	c	t-value	dlog(Px/Pmt)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample				
Italy	-0.005	-0.266	-0.273	-1.760	1.554	3.028	1.863	0.308	1971 2007				
UK	0.011	0.821	-0.519	-3.771	1.057	2.885	1.636	0.443	1971 2007				
Japan	0.014	0.617	-0.428	-4.039	1.293	1.984	2.169	0.355	1971 2007				
Australia	0.036	1.782	-0.235	-1.891	0.472	0.779	1.944	0.095	1971 2007				
	c	t-value	dlog(Px/Pmt)	t-value	dlog(Yrwt)	t-value	dlog(Et-1)	t-value	ar(1)	t-value	DW	R2	Sample
US	-0.037	-1.990	-0.286	-2.182	2.935	6.099	0.113	2.051	0.517	3.427	2.315	0.727	1972 2007
	c	t-value	dlog((Px/Pm)t-1)	t-value	dlog(Xt-1)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample		
Canada	-0.026	-1.498	-0.558	-2.774	0.172	1.371	2.056	4.163	1.648	0.495	1971 2007		

	c	t-value	dlog(RULCt-1)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample								
Turkey	0.051	0.794	-0.557	-1.903	0.899	0.488	2.454	0.100	1972 2007								
	c	t-value	dlog(RULCt)	t-value	dlog(Yrwt)	t-value	ar(1)	t-value	DW	R2	Sample						
Mexico	0.005	0.160	-0.436	-2.095	2.395	3.067	0.463	2.713	1.912	0.382	1972 2007						
	c	t-value	log(Xt-1)	t-value	log(Px/Pmt-1)	t-value	log(Yrwt-1)	t-value	dlog(Px/Pmt)	t-value	dlog(Xt-1)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample
Korea	-42.041	-3.741	-0.396	-4.009	-0.198	-1.713	1.510	3.769	0.256	0.964	0.082	0.592	3.213	3.262	1.616	0.586	1972 2007
	c	t-value	dlog(Px/Pmt)	t-value	dlog(Xt-1)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample						
Argentina	-0.053	-1.397	-0.318	-1.712	0.091	0.611	3.433	3.148	1.715	0.257	1972 2007						
China	0.010	0.195	-1.175	-3.200	0.396	2.556	2.584	1.742	1.900	0.457	1980 2007						
India	0.084	2.371	-0.253	-2.364	0.185	1.165	-0.220	-0.229	1.899	0.177	1972 2007						
	c	t-value	dlog(Px/Pmt)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample								
South Africa	-0.007	-0.373	-0.126	-1.036	1.101	1.876	1.457	0.096	1971 2007								

Imports

	c	t-value	dlog((P/Pm)t-1)	t-value	dlog(Yt)	t-value	DW	R2	Sample						
Euro area-12	-0.008	-0.433	0.236	1.182	2.035	3.450	1.537	0.329	1962 2007						
Italy	-0.008	-0.759	0.233	2.390	2.136	6.818	2.219	0.607	1962 2007						
Japan	0.010	0.740	0.255	3.299	1.136	4.576	1.835	0.499	1962 2007						
	c	t-value	dlog((P/Pm)t-1)	t-value	dlog(Yt)	t-value	ar(1)	t-value	DW	R2	Sample				
Germany	0.009	0.990	0.005	0.046	1.911	7.083	0.283	1.848	1.903	0.618	1963 2007				
	c	t-value	log(Mt-1)	t-value	log((P/Pm)t-1)	t-value	log(Yt-1)	t-value	dlog((P/Pm)t)	t-value	dlog(Yt)	t-value	DW	R2	Sample
France	-2.452	-4.565	-0.292	-3.932	0.140	2.796	0.573	4.330	0.069	0.989	2.923	8.361	2.166	0.782	1961 2007
United Kingdom	-2.954	-4.748	-0.414	-4.773	0.130	3.178	0.769	4.814	-0.024	-0.388	1.698	8.584	2.142	0.739	1961 2007
United States	-4.610	-4.639	-0.414	-4.422	0.177	3.755	0.826	4.554	0.132	1.651	2.341	9.783	1.905	0.787	1961 2007
	c	t-value	dlog(P/Pmt)	t-value	dlog(Yt)	t-value	DW	R2	Sample						
Australia	-0.017	-0.823	0.558	2.964	1.886	3.576	2.081	0.374	1961 2007						
	c	t-value	dlog(P/Pmt)	t-value	dlog(Yt)	t-value	dlog(Yt-1)	t-value	dlog(Mt-1)	t-value	DW	R2	Sample		
Canada	0.000	-0.008	0.356	2.570	2.503	8.780	-1.636	-4.164	0.424	3.369	2.218	0.675	1962 2007		

	c	t-value	dlog(RULCI-1)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample								
Turkey	0.051	0.794	-0.557	-1.903	0.899	0.488	2.454	0.100	1972 2007								
	c	t-value	dlog(RULCt)	t-value	dlog(Yrwt)	t-value	ar(1)	t-value	DW	R2	Sample						
Mexico	0.005	0.160	-0.436	-2.095	2.395	3.067	0.463	2.713	1.912	0.382	1972 2007						
	c	t-value	log(Xt-1)	t-value	log(Px/Pmt-1)	t-value	log(Yrwt-1)	t-value	dlog(Px/Pmt)	t-value	dlog(Xt-1)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample
Korea	-42.041	-3.741	-0.396	-4.009	-0.198	-1.713	1.510	3.769	0.256	0.964	0.082	0.592	3.213	3.262	1.616	0.586	1972 2007
	c	t-value	dlog(Px/Pmt)	t-value	dlog(Xt-1)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample						
Argentina	-0.053	-1.397	-0.318	-1.712	0.091	0.611	3.433	3.148	1.715	0.257	1972 2007						
China	0.010	0.195	-1.175	-3.200	0.396	2.556	2.584	1.742	1.900	0.457	1980 2007						
India	0.084	2.371	-0.253	-2.364	0.185	1.165	-0.220	-0.229	1.899	0.177	1972 2007						
	c	t-value	dlog(Px/Pmt)	t-value	dlog(Yrwt)	t-value	DW	R2	Sample								
South Africa	-0.007	-0.373	-0.126	-1.036	1.101	1.876	1.457	0.096	1971 2007								

		Exports								Imports				Sum
									$\frac{\partial X}{\partial Y}$				$\frac{\partial M}{\partial Y}$	$\frac{\partial N}{\partial Y}$
	eP.ULC	eULC.RULC	ePx.ULC	eXPx	eX.RULC	RULC	Yf/Y	X/Y	$\frac{\partial \pi}{\partial Y}$	eM.P	eM.RULC	M/Y	$\frac{\partial \pi}{\partial Y}$	$\frac{\partial \pi}{\partial Y}$
	A	B	C	D	E (B*C*D)	F	G	H	I (-E*G*H/F)	J	K (A*B*J)	L	M (K*G*L/F)	I-M
Euro area	0.624	2.660	0.184	-1.304	-0.637	0.619	0.893	0.062	0.057	0.000	0.000	0.068	0.000	0.057
Germany	0.618	2.617	0.274	-0.428	-0.307	0.615	0.900	0.214	0.096	0.000	0.000	0.209	0.000	0.096
France	0.577	2.363	0.148	-0.428	-0.150	0.615	0.867	0.171	0.036	0.481	0.656	0.175	-0.162	0.198
Italy	0.604	2.527	0.211	-0.273	-0.146	0.623	0.909	0.174	0.037	0.233	0.356	0.172	-0.089	0.126
UK	0.568	2.316	0.148	-0.519	-0.178	0.643	0.885	0.195	0.048	0.313	0.412	0.195	-0.110	0.158
US	0.369	1.585	0.138	-0.286	-0.063	0.634	0.926	0.068	0.006	0.428	0.250	0.085	-0.031	0.037
Japan	0.516	2.066	0.313	-0.428	-0.276	0.673	0.933	0.074	0.028	0.255	0.271	0.070	-0.026	0.055
Canada	0.459	1.849	0.148	-0.558	-0.153	0.601	0.884	0.278	0.063	0.617	0.524	0.264	-0.203	0.266
Australia	0.624	2.661	0.374	-0.235	-0.234	0.597	0.904	0.140	0.049	0.558	0.926	0.159	-0.223	0.272

		Exports								Imports				Sum
									$\frac{\partial X}{\partial Y}$				$\frac{\partial M}{\partial Y}$	$\frac{\partial \pi}{\partial Y}$
	eP.ULC	eULC.RULC	ePx.ULC	eXPx	eXRULC	RULC	Yf/Y	X/Y	$\hat{\partial \pi}$	eM.P	eM.RULC	M/Y	$\hat{\partial \pi}$	$\hat{\partial \pi}$
	A	B	C	D	E (B*C*D)	F	G	H	I (-E*G*H/F)	J	K (A*B*J)	L	M (K*G*L/F)	I-M
Turkey	0.481	1.927	0.179	-1.613	-0.557	0.459	0.937	0.123	0.140	0.546	0.506	0.139	-0.144	0.283
Mexico	0.629	2.695	0.260	-0.621	-0.436	0.466	0.928	0.148	0.128	0.472	0.800	0.159	-0.253	0.381
Korea	0.735	3.779	0.336	-0.500	-0.636	0.753	0.891	0.237	0.178	0.216	0.600	0.255	-0.181	0.359
Argentina	0.640	2.780	0.107	-0.318	-0.095	0.507	0.975	0.079	0.014	0.745	1.327	0.070	-0.178	0.192
China	0.832	5.966	0.315	-1.945	-3.658	0.503	0.867	0.232	1.463	0.795	3.946	0.193	-1.311	2.774
India	0.756	4.106	0.693	-0.253	-0.718	0.753	0.914	0.091	0.080	0.546	1.695	0.112	-0.230	0.310
South Afri	0.618	2.620	0.000	0.000	0.000	0.624	0.921	0.237	0.000	1.002	1.624	0.211	-0.506	0.506

Table 10 Elasticities of C, I, and M with respect to Y

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	e_{CY}	e_{YI}	e_{MY}	h	Multiplier
Euro area-12	0.551	1.020	2.035	0.371	1.590
Germany	0.516	0.913	1.911	0.071	1.076
France	0.494	2.050	1.963	0.280	1.388
Italy	0.539	2.610	2.136	0.422	1.730
United Kingdom	0.579	1.311	1.859	0.167	1.200
United States	0.387	3.105	1.996	0.519	2.080
Japan	0.464	1.840	1.136	0.584	2.407
Canada	0.499	1.780	1.505	0.176	1.214
Australia	0.324	2.021	1.886	0.291	1.410
Turkey	0.457	3.343	1.684	0.547	2.208
Mexico	0.471	1.406	2.591	0.097	1.108
Korea	0.725	2.509	2.265	0.452	1.824
Argentina	0.508	0.894	2.868	0.276	1.381
China	0.553	1.664	1.501	0.137	1.159
India	0.639	1.561	1.075	0.541	2.180
South Africa	0.632	1.176	1.199	0.214	1.272

$$h = e_{CY} \frac{C}{Y} + e_{YI} \frac{I}{Y} - e_{MY} \frac{M}{Y}$$

Two wage-led recovery scenarios

	Scenario 1		Scenario 2	
	Change in profit share to preserve the peak wage share	The % change in aggregate demand (includes national and global multiplier effects, i.e. changes in Pm and Yrw)	Change in profit share	The % change in aggregate demand (includes national and global multiplier effects, i.e. changes in Pm and Yrw)
Euro area-12	-11.05	2.49	-11.05	2.36
United Kingdom	-7.83	2.01	-7.83	1.91
United States	-6.31	6.47	-6.31	6.15
Japan	-16.71	1.77	-16.71	1.49
Canada	-7.73	2.44	-3.00	2.84
Australia	-9.02	-1.35	-3.00	0.03
Turkey	-18.41	11.22	-18.41	10.81
Mexico	-22.03	-0.56	-3.00	1.45
Korea	-8.64	7.60	-8.64	7.46
Argentina	-9.12	0.86	-3.00	1.27
China	-8.00	-7.44	-1.00	5.56
India	-15.96	0.05	-3.00	0.43
South Africa	-13.07	-6.29	-1.00	1.93

1. global GDP↑ by 2.81%

2. global GDP↑ by 3.05%

- Systems approach (VAR): Deals with simultaneity, weak in identifying effects on C and I (few if any control variables)
 - small effects (Onaran & Stockhammer 05, Korea, Turkey; Stockhammer & Onaran 04, US, UK, F;) or profit-led demand (Barbosa-Filho & Taylor 06, US; Flaschel & Proano 07)
- Single equation approach: Good in identifying effects, bad in dealing with endogeneity
 - estimate separate C, I, NX functions (!)
 - Bowles & Boyer 95; Naastepad & Storm 07; Hein and Vogel 08: OECD6/8
 - estimate separate C, I, X, M, P functions
 - Onaran et al 11, Stockhammer et al 09; Ederer & Sto. 07, Sto. & Ederer 08, Stockhammer et al 11: US, Eurozone, France, Austria, Germany respectively
 - US: +effects of financialization
- Most find wage led private domestic demand regimes
 - Onaran and Galanis 11, Stockhammer et al 09, Storm & Naastepad 07,



	Domestic D: wage-led	Profit-led	Total D wage-led	Profit-led
Euro area	Onaran & Galanis 11 Stockhammer, Onaran, Ederer 09		Onaran & Galanis 11 Stockhammer, Onaran, Ederer 09	
Germany	Onaran & Galanis 11 Stockhammer, Hein, Grafl 11, Stockhammer & Stehrer 11 Bowles & Boyer 95, Naastepad & Storm 07, Hein & Vogel 08,		Onaran & Galanis 11 Stockhammer, Hein, Grafl 11, Naastepad & Storm 07, Hein & Vogel 08,	Bowles & Boyer 95
France	Onaran & Galanis 11 Bowles & Boyer 95, Naastepad & Storm 07, Ederer & Stockhammer 07 Hein & Vogel 08, Stockhammer & Stehrer 11		(Stockhammer, Onaran 04), Naastepad & Storm 07, Hein & Vogel 08HV08 Onaran & Galanis 11	Bowles & Boyer 95, Ederer & Stockhammer 07
Italy	Onaran & Galanis 11 Naastepad & Storm 07		Onaran & Galanis 11 Naastepad & Storm 07	
NL	Naastepad & Storm 07, Stockhammer & Stehrer 11	Hein & Vogel 08	Naastepad & Storm 07	Hein & Vogel 08
Austria	Stockhammer & Ederer 08 Hein & Vogel 08, Stockhammer & Stehrer 11			Stockhammer & Ederer 08 Hein & Vogel 08
UK	Onaran & Galanis 11 Bowles & Boyer 95, Naastepad & Storm 07 Hein & Vogel 08	Stockhammer & Stehrer 11	Onaran & Galanis 11 Bowles & Boyer 95, Naastepad & Storm 07, Hein & Vogel 08	
US	Onaran & Galanis 11 Onaran, Stockhammer, Grafl 11, Bowles & Boyer 95, Hein & Vogel 08, (Stockhammer & Stehrer 11)	Naastepad & Storm 07	Onaran & Galanis 11 Onaran, Stockhammer, Grafl 11 Bowles & Boyer 95, Hein & Vogel 08,	(Stockhammer, Onaran 04), Naastepad & Storm 07, Barbosa-Filho & Taylor 08
Japan	Onaran & Galanis 11 Bowles & Boyer 95, (Stockhammer & Stehrer 11)	Naastepad & Storm 07	Onaran & Galanis 11	Bowles & Boyer 95, NS07
Australia	Onaran & Galanis 11 (Stockhammer & Stehrer 11)			Onaran & Galanis 11
Canada	Onaran & Galanis 11 (Stockhammer & Stehrer 11)			Onaran & Galanis 11

	Domestic D		Total D	
	wage-led	Profit-led	wage-led	Profit-led
Turkey	Onaran and Galanis 11		Onaran and Galanis 11 Onaran, Stockhammer 05	
Korea	Onaran and Galanis 11		Onaran and Galanis 11 Onaran, Stockhammer 05	
Mexico	Onaran and Galanis 11			Onaran and Galanis 11
Argentina	Onaran and Galanis 11			Onaran and Galanis 11
India	Onaran and Galanis 11			Onaran and Galanis 11
China	Onaran and Galanis 11	Molero Simarro 11 Wang 11		Onaran and Galanis 11 Molero Simarro 11
South Africa		Onaran and Galanis 11		Onaran and Galanis 11
Thailand		Jetin and Kurt 11		Jetin and Kurt 11