Disequilibrium macroeconomic models

Theory and estimation of rationing models using business survey data

JEAN-PAUL LAMBERT

Facultés Universitaires Saint-Louis, Brussels and CORE, Université Catholique de Louvain





CAMBRIDGE UNIVERSITY PRESS

Cambridge

New York New Rochelle Melbourne Sydney

Contents

.

Acknowledgements		page ix
Intro	duction	1
0.1 0.2	'Disequilibrium theory' in modern macroeconomic research The 'smoothing by aggregation' approach for more realistic	1
	empirical modelling	6
0.3	Plan of the book	8
Char	oter 1 Micro markets in disequilibrium and the use of micro Cata	12
1.1	'Smoothing by aggregation' as an alternative to the aggregate	
	min condition	12
1.2	The business survey data and their interpretation	24
	1 The firm and its possible 'regimes'	24
	2 Description of the survey on the use of capacity	28
	3 Interpretation of the business survey data in relation to the	
	P_G and P_L statistics	30
1.3	4 Interpretation of the 'Keynesian' situation in a policy perspective Contrasting our approach with the conventional 'disequilibrium	ve 39 n'
	empirical models	43
Char	pter 2 The macro model: econometric formulation and the productio	n
_	function derived by aggregation of elementary production	
	units in the presence of rationing	50
2.1	The aggregate model	50
	1 The macro model and its econometric formulation	50
	2 Economic policy multipliers	62
2.2	Aggregation of micro production units in a rationing context an	ıd
	the aggregate production function	66
	1 The aggregate short-run production function	66
	2 The aggregate long-run production function	73

vi Contents

Chapter 3 Empirical estimation of a macro sectoral model of the Belgian				
	manufacturing industry based on business survey data	77		
3.1	The long-run production function and the notional supply of			
	goods and demand for labour	78		
3.2	The DUC equation	85		
3.3	Demand for goods and the supply of labour	86		
3.4	The specification of P_L	94		
3.5	Ito's vs. Portes' specification of the spillover effect	95		
3.6	Empirical results of Ito's model	97		
	Discussion of the parameter estimates	98		
	Estimates of latent variables	103		
Con	Conclusion			
Арр	endixes			
Α	Derivation of the aggregate transaction curve and the proportions			
	of micro markets in excess demand	116		
B	Intertemporal spillovers in micro markets and the 'selectivity			
	mechanism' of unemployment	126		
С	Input-output analysis in a disequilibrium context	130		

 D Computation of the multiplier effect of an autonomous increase in the demand for goods in the framework of Portes' model
E Empirical estimates of Portes' model

Ε	Empirical estimates of Portes' model	136
F	Sensitivity analysis to alternative specifications of manufacturing	
	labour supply	137
G	A composite Portes-Ito model	141
Η	Data definitions, sources and statistical series	150

133

Notes	155
References	167
Author index	173
Subject index	175

-.