K. Miyazawa

INPUT-OUTPUT ANALYSIS AND THE STRUCTURE OF INCOME DISTRIBUTION

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Mister K. Miyazawa's work published under the well known Springer-Verlag editorial board, covers a very original approach of studying the economic mechanism based on input — output technique.

The author starts from certain shortcomings of Leontief's traditional model, offering some extensions which to include to a greater extent the economic reality. The consumption demand, for instance, is treated as an exogeneous variables for standard analysis or the whole sector of population demand is considered as a particular branch having the work as output and consumption goods as input. But, the consumption demand is specified by income groups influencing the production. Income-consumption-production link is outlined by the authors with the aid of a matrix multipliers followed from Leontief's interindustry matrix and of a Keynesian consumption function on a disaggregated level. Both the income groups and system outputs are calculated with the aid of this matrix. An application of the model is made for interregional income distributions taking into account both the industrial relations among different regions and the consumption structure by regions.

Another application of the model for open economies by taking into account the foreign trade relations is also presented.

Further a problem dealling with the method of partitioning off the original Leontieff inverse and outlining some strategic inter-branch connections (for example between the goods-producing sectors and production means producing sectors is also set forth).

Coefficient sub-matrices reflecting the connections within each group sub-matrices are determined.

A special chapter in the model and at the same time an application of partitioned method is devoted to the discussions about the links existing between the goods-producing and services sectors, both of them producing the income.

The last part of the book deals with the analysis of Japanese economy, where enterprises and firms like any other modern developed economy, follows two directions: the multitude of very modern enterprises with advanced technique and the multitude of small enterprises with less modern technique. The evolution and coexistence of this dual structure in an economy determine a differentiated distribution of incomes for wages and profit according to size of firm.

It is worth to mention that examples for the theoretically treated problems using statistical data of Japaneses economy have been given in the work.

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