2nd International Workshop on Demand-led Growth
Structural Change and Income Distribution

July 15-18, 2019

Institute of Economics
Federal University of Rio de Janeiro (IE/UFRJ)
Av. Pasteur 250, Urca, Rio de Janeiro-RJ

Arena Copacabana Hotel
Av. Atlântica, 2064, Copacana, Rio de Janeiro-RJ

Keynote Speakers
Aldo Barba, Annamaria Simonazzi, Carlos Aguiar de Medeiros, Daniele Girardi, Enrico Bellino, Ignacio Perrotini, Mark Setterfield, Steven Fazzari

The Journal Investigación Económica is sponsoring the Workshop, and a selection of papers will be submitted as a Symposium to the Journal.
The Research Group in Political Economy at the Institute of Economics of the Federal University of Rio de Janeiro follows the Sraffian project proposed by Garegnani to make the Keynesian-Kaleckian principle of effective demand compatible with the classical surplus approach. For our group, growth is demand-led and policy (and often balance of payments) constrained. In turn, inflation is a cost-push political economy phenomenon that depends on conflicting claims over income distribution. In this framework, macroeconomic policies are essential to growth, inflation and income distribution. In capitalist economies, these policies stem from institutional arrangements and political power relations.

The process of economic development implies not only changes in production techniques, sectoral dynamics, and institutions, but above all in power relations between social groups. The relationship between the State and the markets in the development process is a persistent issue that runs through the very origin of political economy. National strategies led by development-oriented states are specifically geared toward creating modern industry and services and their infrastructure as the main engines of economic growth. The State also has a significant role to play in promoting technological change, notably through public demand for innovation and coordination between horizontal and vertical policies.

The Research Group in Political Economy considers that the soundness of this theoretical approach is best demonstrated by constructing policy-relevant analysis and both theoretical and applied models in order to understand the actual performance of developed and developing economies.

Given the approach taken by the Group, particularly in the context of increasing dialogue and convergence among some Kaleckians, Kaldorians, and Sraffians, the workshop aims to strengthen this promising trend by promoting a constructive and policy-relevant debate among these strands of critical thought. As an outcome, we expect the development of new contributions on demand-led growth analysis, models and their multiple dimensions related to structural change and income distribution, highlighting that other heterodox approaches to economics are more than welcome.
About the keynote speakers

**Aido Barba**  Professor of Economics at the Università degli Studi di Napoli Federico II. His research interests include monetary theory and policy, the effects of fiscal policy on the level of activity, public and private debt, pension systems, and income distribution. Important publications include ‘Viability of pay-as-you-go pension systems: a demand-side perspective,’ Review of Political Economy, 2006; ‘Rising household debt: Its causes and macroeconomic implications—a long-period analysis,’ Cambridge Journal of Economics, 2008; and the recent book ‘La Scomparsa della Sinistra in Europa’ (The disappearance of the Left in Europe), 2015.

**Annamaria Simonazzi**  Professor of Economics, Director of the Master in Economics and local coordinator of the European PhD in Socio-Economic and Statistical Studies at Sapienza University of Rome, Italy. She presides the Scientific Committee of the research institute ‘Fondazione Giacomo Brodolini’ and is co-director of the journal Economia & Lavoro. Her research interests range from macroeconomics to social policy, gender and labour economics. Important publications include ‘Patterns of industrialization and the flying geese model: the case of electronics in East Asia,’ Journal of Asian Economics, 2005; ‘Care regimes and national employment models,’ Cambridge Journal of Economics, 2006; and the recent book ‘Crisis in the European Monetary Union: A Core-Periphery Perspective’, 2017.

**Carlos Aguiar de Medeiros**  Professor of Economics at the Federal University of Rio de Janeiro. He won the prize James Street Latin American Scholar of the Association for Evolutionary Economics (AFEE) in 2011. He is currently researching mainly on the following topics: Comparative Development Experiences, Structural change, Technical progress and Growth; Political Economy and the relation between States and Markets; Labour market and Income Distribution. Important publications include ‘The post-war American technological development as a military enterprise,’ Contributions to political economy, 2003; ‘Military modernization in Chinese technical progress and industrial innovation,’ Review of Political Economy, 2014; ‘Inequality and Income Distribution in Global Value Chains’ Journal of Economic Issues, 2017.

**Daniele Girardi**  Professor of Economics at UMass Amherst. His thesis on Aggregate Investment was awarded the “Pierangelo Garegnani” Thesis Prize in 2015. His main research interest is on the effect of institutional/political factors on financial and macroeconomic outcomes (across countries and for specific cases), and the long-run effects of aggregate demand dynamics. Important publications include ‘Financialization of food. Modelling the time-varying relation between agricultural prices and stock market dynamics,’ International Review of Applied Economics, 2015; ‘Long-run Effective Demand in the US Economy: An Empirical Test of the Sraffian Supermultiplier Model,’ Review of Political Economy, 2016; ‘Normal utilization as the adjusting variable in Neo-Kaleckian growth models: A critique,’Metroeconomica (online first, 2018).

**Ignacio Perrotini Hernández**  Professor at the Postgraduate Studies Division of the Faculty of Economics of the UNAM and Editor of the journal Investigación Económica. His research focuses mainly on monetary theory and policy; growth, price inflation, and income distribution; central banking and finance; and modern macroeconomics issues. Important publications includes ‘On floating exchange rates, currency depreciation and effective demand,’ Quarterly Review-Banca Nazionale del Lavoro, 2006; ‘Revisiting Latin America’s debt crisis: some lessons for the periphery of the Eurozone,’ Cambridge Journal of Economics, 2013; ‘Is the wage rate the real anchor of the inflation targeting monetary policy framework?’ Investigación económica, 2017.

**Mark Setterfield**  Professor in the Department of Economics at The New School for Social Research. He was awarded the 2010 Haralambos Simeonides Prize by the Brazilian Association of Graduate Programs in Economics (ANPEC) for the paper “Pricing behaviour and the cost-push channel of monetary policy” (Review of Political Economy, 2010). His research concentrates on Demand-led Growth, Conflict Inflation and Income Distribution, and the role of Macroeconomic Policies from a Post-Keynesian perspective. Important publications include ‘A neo-Kaldorian perspective on the rise and decline of the Golden Age,’ Chapters, 2002; ‘Aspirations, bargaining power, and macroeconomic performance,’ Journal of Post Keynesian Economics, 2006; ‘Inequality, debt servicing and the sustainability of steady state growth,’ Review of Political Economy, 2015. He also is the Editor of the book ‘The Economics of Demand-led Growth: Challenging the Supply-side Vision of the Long Run,’ 2002.
About the keynote speakers


9h00-10h10  
**Public policies, Industrialisation and Inequality**  
*Chair: Rodrigo Vergnanini*

- Reallocating Public Spending to Reduce Income Inequality: Can It Work?  
  - Tidiane Kinda;  
  - Djeneba Doumbia;  
  - Salimah Valiani

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10h25-12h10  
**Growth and income distribution in Latin America**  
*Chair: Numa Mazat*

- Growth, distribution and productivity in Colombia  
  - Oscar Eduardo Perez Rodriguez;  
  - Gonzalo Combita Mora;  
  - Pedro Mendes Loureiro

- Income inequality in Argentina under the Pink Tide: a macroeconomic-led redistribution  
  - Ramiro Eugenio Álvarez

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14h00 - 16h20  
**Technological change and Macrossectorial analysis**  
*Chair: Eduardo Bastian*

- Innovation, export performance and trade elasticities across different sectors and countries  
  - Ana Carolina Bottega;  
  - João P. Romero

- Intra-sectoral (re)allocation and growth: an empirical investigation  
  - Fabricio Silveira

- Competition, Market Share and Technological Change in a Post-Keynesian Duopoly Model  
  - Ana Bottega; Rafael Ribeiro

- Alternative approaches to technological change when growth is BoPC  
  - Marwil Dávila-Fernández

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16h35-18h20  
**Capital Flows, Speculation and Financial Fragility**  
*Chair: Gustavo Bhering*

  - Gabriel Aidar; Julia Braga

- Commodity speculation and exchange rate swings in Latin America: A Stock Flow Consistent (SFC) analysis  
  - Lorenzo Nain; Yajima;  
  - Giuliano Toshiro

- Exchange rate dynamics, balance sheet effects, and capital flows. A Minskyan model of emerging market boom-bust cycles  
  - Karsten Kohler
9h30-11h50

Deindustrialization in the Brazilian economy between 2000-2014: a critical assessment based on the input-output analysis

Does Income Distribution (to Wages) Impair Economic Growth in Brazil?

Income and Employment impacts of fiscal policy : estimating an Input-Output model for Brazil between 2002 and 2015

Engines off: A Structural Decomposition of the Brazilian (De-)Growth in the 2010s

Chair: Julia Torracca

Patieene Passoni; Fabio Freitas

Fabiano Dalto; Vinicius Moraes

Marcelo Tonon; Esther Dweck; Fabio Freitas

Guilherme Magacho

Lunch

14h-15h45

Endogenous fluctuations in demand and distribution: An empirical investigation

The Demand Side Secular Stagnation Hypothesis in the Theories of Economic Growth: A Maze of Theoretical Inconsistencies

Demand-led Growth in a Mature Economy: The Case of Denmark

Chair: Esther Dweck

Jose Barrales-Ruiz; Rudiger von Arnim

Vivian Garrido Moreira; Franklin Serrano

Mikael Randrup Byrialsen; Mogens Ove Madsen

Break

16h-17h45

Super Haavelmo: balanced and unbalanced budget theorems and the sraffian supermultiplier

Growth and the induced investment share in the United States economy from 1960 to 2017: testing the Sraffian Supermultiplier model

Investment, Autonomous Demand and Long-Run Capacity Utilization: An Empirical Test for the Euro Area

Chair: Fabio Freitas

Franklin Serrano; Kaio Pimentel

Guilherme Haluska Rodrigues de Sá; Julia de Medeiros Braga

Ettore Gallo
Wednesday, July 17, Hotel Arena Copacabana

9h-9h15 Opening Session: Julia Torracca (INET), Ignacio Perrotini (Investigacion Economica), Caroline Jorge (Local Committee), Ricardo Summa (Graduate Program).

9h15-11h15 Balance of Payments, Exchange rate and Thirlwall’s Law
Chair: Breno Roos

On some limits of the exchange rate as a tool for industrial competitiveness
Ariel Dvoskin; Germán Feldman; Guido Ianni

Thirlwall’s Law, External Debt Sustainability and the Balance of Payments Constrained Level and Growth Rates of Output
Gustavo Bhering; Franklin Serrano; Fabio Freitas

New Structuralism and the Balance-of-Payments Constraint
Gabriel Porcile; Giuliano Toshiro

11h30-12h30 Keynote Speaker
Chair: Esther Majerowicz

Endogenous Growth, Capital Accumulation and Thirlwall’s Dynamics: The Case of Latin America
Ignacio Perrotini Hernandez; Juan Alberto Vázquez-Muñoz

Lunch

14h-16h Macroeconomic policy, conflict inflation and the Sraffian Supermultiplier
Chair: Lidia Brochier

Why Fiscal and Distributive Policies Should Rule the Game: The Role of Personal Income Inequality, Taxation and Financial Instability in the Sraffian (Hyper) multiplier Model
Maria Cristina Barbieri Góes

The (conflict augmented) Phillips Curve is ‘alive and well’
Ricardo Summa; Julia Braga

Mind the gaps: the conflict augmented Phillips curve and the Sraffian Supermultiplier
Franklin Serrano

16h30-19h00 Capacity Utilization, Investment and autonomous demand
Keynote Speakers Chair: Caroline Jorge

Demand-Led Growth and Accommodating Supply
Steven Fazzari; Piero Ferri; Annamaria Variato

Autonomous Demand and the Investment Share
Daniele Girardi; Riccardo Pariboni

Hysteresis in the normal rate of capacity utilization: a behavioural explanation
Mark Setterfield; Joana Avritzer
Thursday, July 18, **Hotel Arena Copacabana**

**9h15-11h15**  
**Labor market, structural change and Effective demand**  
**Chair: Italo Pedrosa**

- Coupling energy transition and social prosperity: a scenario-analysis of the Italian case  
  - **André Cieplinski**
- Effective demand, labor discipline and wage inequality  
  - **Gilberto Tadeu Lima; Jaylson Jair da Silveira**
- Structural change and the role of demand  
  - **Ricardo Araújo; João Filho Teixeira**

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**11h30-12h30**  
**Keynote Speaker**  
**Chair: Franklin Serrano**

- Absolute advantages and capital mobility in international trade  
  - **Enrico Bellino; Saverio Fratini**

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**14h-16h**  
**Economic Development, Capital Accumulation and Technological Change in the BRICs**  
**Chair: Nicholas Trebat**

- The Indian growth acceleration: a Brazilian path to autonomous expenditures  
  - **Manuel Gonzalo**
  - **Numa Mazat; Franklin Serrano**
- China and the international political economy of Information and Communication Technologies  
  - **Esther Majerowicz**

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**16h30-19h00**  
**Economic reforms, functional income distribution and Structural change in modern Capitalism**  
**Keynote Speakers**  
**Chair: Carlos Pinkusfeld**

- The embeddedness of core-periphery relation in time and space  
  - **Annamaria Simonazzi**
- Effects of outsourcing on functional income distribution  
  - **Aldo Barba**
- Income Distribution, Labor Bargain Power and Structural Change in Modern Capitalism  
  - **Carlos Medeiros**
Scientific Committee
Ricardo Summa (UFRJ), Júlia Torraca (UFF), Esther Majerowicz (UFRN), Cristina Reis (UFABC and IPODI/Berlin), André Cieplinski (University of Pisa)

Local Organizing Committee
Breno Roos, Caroline Jorge, Lidia Brochier, Numa Mazat, Ricardo Summa

For questions and further information on the workshop, please contact us at workshopufrrj2019@gmail.com