

The effectiveness of fiscal policy in the stock/flow Levy model

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- Use of the stock/flow model
- Resume of model
- Comparisons with empirical estimates
- Remarks on the size of those empirical estimates: why so large ?

	Impact multiplier	Long-run multiplier
G financed by borrowing	1.46	2.28
G financed by tax	0.57	0.58
G financed by 'printing money'	1.46	0.44

- Funding, financing and credit rationing
- Implications for public expenditure cuts on budget deficit

- Is the multiplier a useful way to present ?
- The need for the estimation of the required budget position consistent with high level of economic activity ('structural budget deficit').
- Relevance for debates over size of deficit

- Investment and the 'multiplier' effect
- Interaction of investment and budget deficits
- Investment and path dependency

- Supply side issues : are they relevant
- Supply side as an attractor ?
- Exchange rate and balance of payments

