# Contents

Preface ix

1 Introduction 1
  1.1. The Structure  Economy 4
  National (in Intensive Form) 8
  1.2. National Accounting (in Intensive Form) 8
  1.2.1. The Sector of Firms (Table 3) 8
  1.2.2. Asset Holders (Table 4a) 9
  1.2.3. Households (Workers) (Table 4b) 9
  1.2.4. Fiscal and Monetary Authorities 12
  1.2.5. International Relationships 13

2 Explicit Representation and Feedback Structure of the Core 18D Dynamical System 17

3 Numerical Simulations of the Real Part of 18D Dynamics 29
  3.1. The 9D Real Part of the Economy 30
  3.2. The Keynes-Metzler-Goodwin Core 5D Dynamics 35
  3.3. The KMG Core Dynamics with a Housing Sector 41
  3.4. The KMG 5D Dynamics and the Mundell Effect 41
  3.5. The Integrated Dynamics of the Real Part of the Economy 45

4 Adding Policy Issues to the Real Dynamics 47
  4.1. Interest Rate Policy Rules 47
  4.2. Fiscal Policy Rules 52
  4.3. Fiscal and Monetary Policy Rules in Interaction 54
<table>
<thead>
<tr>
<th>Chapter</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>Adding Asset Price Dynamics to the Real Dynamics</td>
<td>55</td>
</tr>
<tr>
<td>6</td>
<td>Numerical Investigations of the Full 18D Dynamics</td>
<td>63</td>
</tr>
<tr>
<td>7</td>
<td>Conclusions</td>
<td>81</td>
</tr>
<tr>
<td></td>
<td>Appendix: Notation</td>
<td>85</td>
</tr>
<tr>
<td></td>
<td>References</td>
<td>89</td>
</tr>
<tr>
<td></td>
<td>Index</td>
<td>93</td>
</tr>
</tbody>
</table>