

Notation used in the book

		Chapter
a	real autonomous expenditures	5
A	nominal autonomous expenditures	5
A_{LT}	number of long-term securities	4
A_{ST}	short-term assets	4
ABP	accounting balance of payments	7
$AFAB$	accounting financial account balance	7
B	debt of firms (or of households, Chapter 6)	3, 4, 6
B	bank loans	4, 6
BP	balance of payments	7
c_v	propensity to consume out of wealth	5, 6
C	consumption	4, 7
CAB	current account balance.	4, 7
D	deposits	4, 6
DC	direct costs	3
e	estimate of a parameter	1
e	price elasticity of demand (its absolute value)	3
e	nominal exchange rate	7, 8
\bar{e}	fundamental exchange rate assessed by fundamentalists	7
e_R	real exchange rate	7, 8
\bar{e}_R	real exchange rate target	8
e_c^e	exchange rate expected by chartists	7
e_f^e	exchange rate expected by fundamentalists	7
e_w	Webb effect elasticity (efficiency wage effect elasticity)	5
E	rate of employment	6
f	ratio of overhead workers to variable workers at full capacity	5, 6, 8
f	forward exchange rate (in logs)	7
f_f	financial to tangible asset ratio	3
F	forward exchange rate (in level)	7
FC	full capacity of the firm	3
FC_{th}	theoretical full capacity	3
FY	foreign income accruing to domestic residents	4, 7
FAB	financial account balance in its economic sense	7
g	rate of capital accumulation (growth rate)	3, 6–8
g_B	balance-of-payments constrained growth rate	7
g_q	actual rate of growth of output	6
g_n	natural rate of growth	5–8

g_y	growth rates of sales	6
g_z	growth rate of autonomous consumption expenditures	6
g^i	investment function (in growth terms)	6–8
g^s	saving function (in growth terms)	6–8
g_r^s	saving function of rentiers	6
G	government expenditure	4, 5, 7
h	annual number of hours worked per worker	5
H	high-powered money (banknotes, reserves)	4
i	interest rate	3–6
i_B	interest rate on borrowed capital or loans	3, 4, 6
i_D	interest rate on bank deposits	4, 6
i_d	domestic interbank interest rate	7
i_f	foreign interbank interest rate	7
i_R	real rate of interest	7
i_s	dividend rate on stock-market shares	3
i_s	rate of return on stock-market shares	4
i_{CB}	target interest rate of the central bank	4
i_{LT}	yield on long-term securities	4
i_{ST}	yields on short-term securities	4
i_{fair}	fair rate of interest	4
I	investment expenditure	3–7
I_h	residential investment	4
I_f	investment by firms	4
IN	inventory stocks of firms	4
j	ratio of material costs to direct labour costs	3, 7, 8
J	$= (1 + j)$	8
k	number of machines per worker	1
K	capital stock	4, 6
K_B	capital borrowed through loans or bond issues	3
K_s	capital owned by the shareholders	3
l	debt to capital ratio	3, 6
L	labour employment	1, 4, 5, 6
L_f	indirect labour, overhead labour	5
L_v	direct labour, variable labour	5
L_{fe}	full employment	5
L_v^{fc}	direct labour at full capacity	5
m	share of gross profits	3, 5
m_{va}	share of gross profits in value added	3
M	number of machines	1, 3
M_d	deflated capital	1
M	imports	4, 7, 8
MR	marginal revenue	3
MC	marginal cost	3
n	labour per unit of output ($= 1/y$)	3
N	active population	1, 6
NDC	normal direct costs	3

<i>NUDC</i>	normal unit direct cost	3
<i>NUC</i>	normal unit cost	3, 5
<i>OF</i>	own funds of banks	4
<i>OR</i>	official international reserves	7
<i>p</i>	price level	1, 5, 8
<i>p_d</i>	price of domestic goods	7, 8
<i>p_f</i>	price of foreign goods	7, 8
<i>p_i</i>	price of machines	3
<i>p_m</i>	price of imports	7
<i>p_x</i>	price of exports	7
<i>p_s</i>	price of stock-market shares	4, 6
<i>p_{LT}</i>	price of long-term securities	4
<i>P</i>	profits	3, 5–7
<i>P_D</i>	dividends	4
<i>P_{ND}</i>	non-distributed profits (retained earnings)	4
<i>q</i>	output level	1, 3, 5, 7
<i>q_d</i>	deflated output	1
<i>q^d</i>	real aggregate demand	5
<i>q^s</i>	real aggregate supply	5
<i>q_n</i>	normal or standard level of output	3, 5
<i>q_{fc}</i>	full-capacity level of output	5
<i>r</i>	rate of profit	1, 6, 8
<i>r^e</i>	expected rate of profit	6
<i>r_n</i>	normal rate of profit, target rate of return on capital	3, 5, 6, 8
<i>s</i>	spot exchange rate (in logs)	7
<i>s_f</i>	retained earnings ratio	3, 6
<i>s_h</i>	propensity to save of households	6
<i>s_p</i>	propensity to save out of profits	5–8
<i>s_r</i>	propensity to save of rentiers	5
<i>s_w</i>	propensity to save out of wages	
<i>s_y</i>	propensity to save out of income	5, 7
<i>s_{yd}</i>	propensity to save out of disposable income	5
<i>S</i>	spot exchange rate (in level)	7
<i>S</i>	saving of the private sector	4, 7
<i>S_f</i>	retained earnings of firms	3, 4
<i>S_h</i>	saving of the household sector	4, 7
<i>SE</i>	standard error of estimate	1
<i>tb</i>	trade balance ratio	7
<i>T</i>	taxes	4, 7
<i>TB</i>	trade balance	7
<i>u</i>	rate of capacity utilization	5–8
<i>u^e</i>	expected rate of capacity utilization	6
<i>u^k</i>	short-period Keynesian or Kaleckian equilibrium rate of capacity utilization	6
<i>u_f</i>	foreign rate of capacity utilization	7, 8
<i>u_n</i>	normal or standard rate of capacity utilization	3, 5–8

U	rate of unemployment	1
UC	unit cost	3
UDC	unit direct cost (or average variable cost)	3, 5
$UDLC$	unit direct labour cost	3, 7
UMC	unit material cost	3, 7
v	capital to full-capacity output ratio	3, 5–8
v_o	capital to output ratio	1, 7
v_m	material inputs to output ratio	7
v_r	valuation ratio (Tobin's average q ratio)	6
V	wealth	4, 6
w	nominal wage rate	1, 3–6, 8
w_f	nominal wage of overhead labour	5, 6
w_M	mean nominal wage rate	5
w_v	nominal wage rate of variable labour	5, 6
x	units of consumer goods	2
x	proportion of investment financed by new share issues	3
X	exports	4, 7
y	output per worker (labour productivity)	1, 5, 6
y_f	labour productivity of overhead labour	5
y_h	hourly labour productivity	5
y_v	labour productivity of variable labour	5, 8
Y	individual income	2
Y	income (gross domestic product)	5, 7
Y_d	disposable income of the private sector	5
Y_{fe}	full-employment GDP	5
z	units of characteristics	2
z	ratio of autonomous expenditures to capital stock	6
Z	autonomous consumption expenditures of capitalists	6
Z	world income	7

<i>Greek letters</i>		Chapter
α (alpha)	output elasticity of labour	1
α	proportion of the feasible range of extra necessities goods	2
α_1	parameter designed to calculate the natural rate of growth	6
α_i	parameters of a modified Phillips curve	8
β (beta)	output elasticity of capital	1
β_e	impact of an increase in the real exchange rate on the domestic rate of capacity utilization	7, 8
β_u	income elasticity of import demand in the domestic economy	7, 8
β_{uf}	income elasticity of import demand in the foreign economy	7, 8
γ (gamma)	parameter reflecting the animal spirits of firms or the trend growth rate of sales	6–8
γ_i	effect of the interest rate on the rate of accumulation	6

γ_r	effect of the profit rate or of the normal profit rate on the rate of accumulation	6
γ_u	effect of the rate of capacity utilization on the rate of accumulation	6–8
γ_v	effect of the valuation ratio on the rate of accumulation	6
γ_π	effect of the profit share on the rate of accumulation	6–8
Γ	adjustment coefficient related to the real exchange rate	7
ε (epsilon)	error term	1
ε	price elasticity of demand (in absolute terms)	3
ε	Webb effect of the real wage on labour productivity	5
ε	world income elasticity of the demand for exports coming from the domestic economy	7
ζ (zeta)	consumption emulation coefficient of workers	6
η (eta)	price elasticity of the demand for exports	7
η_1	effect of a change in the wage share on the growth rate of output	6
η_2	effect of technical progress on the growth rate of output	6
θ (theta)	percentage mark-up on direct costs (percentage gross costing margin)	1, 3, 5, 8
Θ	percentage net costing margin	3, 5
ι (iota)	reaction parameter tied to changes in expected spot rate	7
ι^T	target inventories to sales ratio	3
κ (kappa)	average markup of prices over unit labour costs	8
κ_d	proportion of bank deposits in household wealth	6
κ_s	proportion of stock-market shares in household wealth	6
λ (lambda)	growth rate of labour productivity	6
λ_g	Kaldor–Verdoorn effect of output growth on labour productivity growth	6
λ_k	effect of the growth rate of capital per head on labour productivity growth	6
λ_π	effect of the profit share on labour productivity growth	6
λ_ω	effect of real wage growth on labour productivity growth (dynamic Webb effect)	6
λ_{ij}	indicators of liquidity preference for various assets	4
μ (mu)	Hicksian measure of technical progress	1
μ	reaction of the rate of capacity utilization to excess demand	6
μ	propensity to import goods from abroad	7
μ_1	adjustment parameter tied to the expected rate of utilization	6
μ_2	adjustment parameter tied to the normal rate of utilization	6
ν (nu)	parameter related to export prices	7
ξ (xi)	implicit function indicating how the debt ratio changes as a function of itself and the growth rate of output	6
π (pi)	net share of profits in national income (or in value added)	5–8

π^d	net share of profits, from the demand side	5, 6
π^s	net share of profits, from the supply side	5, 6
Π	income elasticity of the demand for imports	7
ρ (rho)	ratio of the funds that can be borrowed to the retained earnings	3
σ (sigma)	risk and illiquidity premium or discount	4
σ	ratio of the wage of overhead labour relative to that of direct labour	5
σ	reaction parameter tied to the retained earnings ratio	6
σ_B	illiquidity and risk premium on bank loans	4
σ_i	risk and illiquidity discounts associated with different assets	4
τ (tau)	weighted sum of the growth rates of the real wage and the profit rate	1
τ	tax rate	5
τ	tariff rate	7
v (upsilon)	parameter related to import prices	7
ϕ (phi)	reaction of the profit share to excess demand	6
ϕ_1	adjustment parameter tied to the expected profit rate	6
ϕ_2	normal profit rate adjusts to the values taken by the realized profit rate	6, 8
ϕ_c	reaction parameter related to expectations of chartists	7
ϕ_f	reaction parameter related to expectations of fundamentalists	7
χ_1 (chi)	impact of the rate of capacity utilization on price inflation	6
χ_2	impact of the rate of inflation on the interest rate	6
χ_3	negative effect of the rate of capacity utilization on the trend rate of growth	6
χ_4	negative effect of an increase in the rate of employment on the trend rate of growth	6
χ_5	negative effect of an increase in the rate of unemployment on price inflation	6
χ_6	positive effect of the rate of unemployment on the profit share	6
χ_7	positive effect of an increase in the rate of employment on the rate of technical progress	6
χ_8	negative effect of an increase in the rate of unemployment on the rate of technical progress	7
ψ (psi)	implicit function indicating how the growth rate of output changes as a function of itself and the debt ratio	6
ψ	price elasticity of the demand for imports	7
ψ_i	($i = 1, 2, 3$) Harroddian destabilizing mechanisms	6
Ψ	parameters pertaining to price inflation	8
ω (omega)	real-wage rate (= w/p)	1
ω_f	real-wage rate targeted by firms	6

ω_h	hourly real wage	5
ω_M	mean real-wage rate	5
ω_w	real wage targeted by workers	6
Ω	parameters pertaining to wage inflation	8

