

«Note»

Outline of Part III and Part IV in KEWT 3.09 by Sector: 3 Areas and 58 Countries, 1990–2007

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This paper shows the contents of Part III and Part IV in KEWT 3.09 from two aspects by using tables, figures, and illustrations. Part III measures the relationship between the real assets in endogenous equilibrium and the financial/market assets in price-equilibrium. Part IV measures, in equilibrium, the relationship between the inflation/deflation rate and the rates of employment. For the two aspects, several illustrations are preliminarily set up. The essence of these illustrations is shown by using four functions to the ratio of net investment to output, $i = I/Y$, and to the rate of change in population in equilibrium, n_E , each on the X axis: (1) The speed of convergence function to $i = I/Y$; $\left(\frac{1}{\lambda^*}\right)(i)$, and (2) The rate of return function to $i = I/Y$; $r^*(i)$. Also, (3) The speed of convergence function to n_E ; $\left(\frac{1}{\lambda^*}\right)(n)$, and (4) The rate of return function to n_E ; $r^*(n)$, where the author starts with a situation of $n = n_E$, for convenience so that n_E is also shown by n . Each mechanism/structure of four functions is illustrated in Appendix A1 to A5 in Appendix.

Three functions, $\left(\frac{1}{\lambda^*}\right)(i)$, $r^*(i)$, and $\left(\frac{1}{\lambda^*}\right)(n)$, are hyperbolic in equilibrium. $r^*(n)$ is a linear function in equilibrium and connected with an endogenous Phillips line. The conventional Phillips curve is external, where actual data are used assuming that price-equilibrium holds behind the inflation rate and the natu-

ral rate of unemployment.

Equilibrium and disequilibrium is essential in the data-sets of KEWT. The centre of disequilibrium is determined by each vertical asymptote (V.A.) of two functions, $\left(\frac{1}{\lambda^*}\right)(i)$ and $r^*(i)$. First, the V.A. of $\left(\frac{1}{\lambda^*}\right)(i)$ varies from a minus value to a plus value, depending on $\alpha > 0$ or < 0 while the V.A. of $r^*(i)$ is equal to zero. When the V.A. of $\left(\frac{1}{\lambda^*}\right)(i)$ happens to be zero or $\alpha = 0$, both values of the V.A. overlap. The effective range of equilibrium must avoid the range of disequilibrium whose middle point is each V.A. Second, each hyperbolic has its shape¹⁾ measured by $i = I/Y$ on the X axis. This shape determines the degree of diminishing returns to capital. The border line of disequilibrium and equilibrium is more importantly related to the shape of the hyperbolic. Therefore, the disequilibrium range of $i = I/Y$ is determined by two combinations: (1) the V.A. of $\left(\frac{1}{\lambda^*}\right)(i)$ less its shape and, (2) the V.A. of $r^*(i)$ less its shape. If (1) and (2) are overlapped, the disequilibrium range of $i = I/Y$ is most narrow, where an effective range of $i = I/Y$ is most wide, e.g., under a certain range of $i = 2.5$ to 20%. If (1) and (2) do not overlap at all, the disequilibrium range of $i = I/Y$ is more wide, where an effective range of $i = I/Y$ is more narrow, under the same range of $i = 2.5$ to 20%.

The above is the methodology of how to maintain the equilibrium range of $i = I/Y$ by year. The determinants of this effective range are parameters such

1) The shape is measured by the distance between the origin and the curve's the intersection that crosses the diagonal. For example, in the case of $r^*(i)$, if this distance is close to zero, the situation is close to constant returns to capital (CRC) and if this distance is long, the situation is under extreme diminishing returns to capital (DRC). When this distance is measured on the X axis, the author calls it 'the shape of the hyperbolic.'

as the rate of change in population n_E , the relative share of capital α , the three endogenous parameters (β , δ , and λ), the capital-output ratio $\Omega = K/Y$. Policy-makers by country aim at the improvement of these parameters by year, not to expand the balance of payments and deficit.

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3 Areas and 58 Countries, 1990–2007

Table 1 Amounts and ratios related to money supply by three areas (Part III-1 in KEWT 3.09)

(1) Money	M2	Y	$K_t = \Delta K + K$	$m_t = M/K$	$m = M/Y$	$m_t = M/t$	$r_{(DEBT)}$	$\Pi = Y - W$	$l_{EV} = D/(D+V)$
Thirteen Euro currency countries (including Slovenia in 2007)							Exogenous		
1990	2559	7438	5106	0.501	0.344	3.673	0.1278	697	(0.2119)
1991	2902	8558	6589	0.440	0.339	3.625	0.1260	800	(0.0848)
1992	3001	8990	7730	0.388	0.334	3.158	0.1203	950	(0.2624)
1993	3163	9355	8707	0.363	0.338	3.005	0.1023	1053	(0.9392)
1994	3388	10060	9813	0.345	0.337	3.000	0.1013	1129	(0.9032)
1995	3702	10014	9740	0.380	0.370	3.935	0.1063	941	(0.3481)
1996	3973	10532	10806	0.368	0.377	3.869	0.0900	1027	(0.3999)
1997	4378	11285	12035	0.364	0.388	4.139	0.0746	1058	(0.2030)
1998	4818	11793	13333	0.361	0.409	4.210	0.0588	1144	(0.1512)
1999	4142	11096	12288	0.337	0.375	3.275	0.0519	1265	(0.0471)
2000	4300	11968	14390	0.391	0.359	2.872	0.0604	1497	(0.0287)
2001	4684	9512	12770	0.367	0.492	4.134	0.0578	1133	(0.0028)
2002	4981	9977	14209	0.351	0.499	4.150	0.0553	1200	(0.0048)
2003	5296	10235	15443	0.343	0.517	4.069	0.0425	1301	(0.0115)
2004	5632	10658	16761	0.336	0.528	3.782	0.0411	1489	(0.0138)
2005	6153	11038	18062	0.341	0.557	3.414	0.0339	1802	(0.0168)
2006	6728	11530	19406	0.347	0.584	3.821	0.0383	1761	(0.0069)
2007	7425	13950	21381	0.347	0.532	4.889	0.0436	1519	(0.0037)
Agg. of Ave.	4513	10444	12693	0.3656	0.4517	3.9424	0.0740	1209	(0.2141)
Fifteen Non-Euro countries in EU area							Exogenous		
1990	261	630	585	0.446	0.414	4.462	0.2557	58	(0.0062)
1991	299	727	647	0.462	0.411	4.073	0.1957	73	(0.0800)
1992	331	849	720	0.460	0.390	3.965	0.1930	83	(0.1407)
1993	371	997	805	0.462	0.373	2.876	0.1684	129	(0.4856)
1994	438	1299	917	0.478	0.337	3.188	0.1805	137	(0.3042)
1995	764	1943	1016	0.751	0.393	4.157	0.3247	184	(0.1101)
1996	1114	2780	1404	0.794	0.401	4.212	0.3339	264	(0.0791)
1997	1938	5640	2081	0.931	0.344	3.373	0.2178	574	(0.1299)
1998	2628	8209	3005	0.875	0.320	2.808	0.1784	936	(0.1298)
1999	3539	11362	4165	0.850	0.311	2.631	0.1554	1345	(0.1025)
2000	4828	15853	5985	0.807	0.305	2.355	0.1381	2050	(0.2372)
2001	4957	25791	10949	0.453	0.192	1.121	0.1166	4424	(0.1120)
2002	6259	34483	17771	0.352	0.182	1.052	0.1025	5948	(0.1124)
2003	8011	44006	27709	0.289	0.182	1.030	0.0859	7777	(0.0570)
2004	10194	53587	41424	0.246	0.190	0.927	0.0793	10999	(0.0142)
2005	19531	62507	49055	0.398	0.312	2.642	0.0586	7393	0.0140
2006	24367	73424	59914	0.407	0.332	2.975	0.0621	8189	(0.0134)
2007	28649	83742	76442	0.375	0.342	2.929	0.0650	9781	(0.0030)
Agg. of Ave.	6582	23768	16922	0.5464	0.3371	2.9869	0.1618	3353	(0.1237)
30 countries (except for europe)							Exogenous		
1990	24323	30347	48774	0.499	0.801	2.894	0.2440	8404	(0.0285)
1991	26700	35567	57821	0.462	0.751	2.714	0.2212	9839	(0.0287)
1992	28686	40451	67771	0.423	0.709	2.419	0.2034	11861	(0.0318)
1993	31002	44409	77148	0.402	0.698	3.405	0.1896	9105	(0.0175)
1994	34154	51607	88006	0.388	0.662	3.098	0.1887	11025	(0.0142)
1995	35042	58114	96428	0.363	0.603	2.387	0.1857	14679	(0.0087)
1996	40168	66306	113313	0.354	0.606	2.428	0.1708	16545	(0.0093)
1997	45705	74233	132171	0.346	0.616	2.321	0.1530	19695	(0.0213)
1998	57461	86016	147094	0.391	0.668	3.643	0.1583	15771	(0.0565)
1999	65879	96239	161746	0.407	0.685	4.819	0.1404	13670	(0.0232)
2000	75664	114275	185637	0.408	0.662	2.372	0.1213	31901	(0.0512)
2001	86208	129485	213226	0.404	0.666	2.416	0.1213	35676	(0.0522)
2002	92895	147566	245405	0.379	0.630	2.378	0.1532	39070	(0.0341)
2003	103138	163853	282189	0.365	0.629	2.404	0.1067	42902	(0.0561)
2004	114031	188432	328926	0.347	0.605	1.984	0.1025	57490	(0.0538)
2005	130483	169125	376879	0.346	0.772	3.723	0.1025	35049	(0.0123)
2006	123749	201393	434831	0.285	0.614	2.638	0.1057	46904	(0.0177)
2007	15317	270151	571940	0.269	0.569	2.535	0.0916	60606	(0.0093)
Agg. of Ave.	70495	109309	201628	0.3799	0.7026	2.9751	0.1533	26677	(0.0292)

Table 2 Ratios related to rates of return by three areas (Part III-2 in KEWT 3.09)

(2) Rate of	r^*	$r^*(US)$	$r_{(DEBT)/r^*}$	a:f: r^* to i	H.A: r^* to $i_{(G)}$	$r^*/r^*(GHA)$	$\dot{V}_A(\text{speed})$	$\dot{I}_{GVA}(\text{speed})$	δ_0/α
Thirteen Euro cur	Exogenous			v.a. of r^* is the line $i=0$					
1990	0.1364	0.0654	0.9370	(0.00028)	(0.3658)	(0.0132)	(0.0047)	(0.0087)	(7.341)
1991	0.1215	0.0598	1.0374	(0.00029)	(0.2866)	(0.0116)	(0.0014)	0.0103	(8.238)
1992	0.1230	0.0653	0.9786	(0.00955)	(0.1289)	(0.1436)	0.0022	0.0780	(31.489)
1993	0.1209	0.0594	0.8462	(0.00202)	(0.4998)	(0.0351)	0.0188	(0.0430)	20.850
1994	0.1151	0.0581	0.8799	(0.00579)	(0.4394)	(0.0692)	0.2722	0.4708	11.128
1995	0.0966	0.0586	1.1000	(0.00837)	(0.1498)	(0.0980)	0.0467	0.0879	14.513
1996	0.0950	0.0562	0.9473	(0.00190)	(0.2418)	(0.0482)	(0.0469)	(0.0315)	8.882
1997	0.0879	0.0521	0.8493	(0.00014)	(0.1214)	(0.0061)	(0.0164)	(0.0064)	7.404
1998	0.0858	0.0503	0.6845	(0.00045)	(0.0380)	(0.0177)	(0.0104)	0.0324	5.604
1999	0.1029	0.0492	0.5040	0.00019	0.0301	0.0070	(0.0140)	0.0224	5.313
2000	0.1047	0.0501	0.5766	0.00260	0.0131	0.0465	(0.0155)	3.2416	4.037
2001	0.0887	0.0592	0.6509	0.00190	0.0032	0.0495	(0.0175)	8.8196	3.328
2002	0.0845	0.0765	0.6547	0.00065	0.0217	0.0317	(0.0212)	0.2229	3.186
2003	0.0843	0.0835	0.5045	0.00073	0.0256	0.0328	(0.0234)	0.2377	3.004
2004	0.0889	0.0870	0.4626	0.00120	0.0207	0.0416	(0.0222)	0.6351	2.630
2005	0.0998	0.0967	0.3402	0.00000	0.0433	0.0004	(0.0201)	(0.0003)	2.247
2006	0.0907	0.0827	0.4220	0.00009	0.0504	0.0072	(0.0159)	0.0015	2.162
2007	0.0710	0.0840	0.6133	0.00001	0.1150	0.0006	(0.0119)	(0.0003)	2.681
Average	0.0999	0.0663	0.7216	(0.0012)	(0.1083)	(0.0112)	0.0055	0.7650	2.722
(2) Rate of	r^*	$r^*(US)$	$r_{(DEBT)/r^*}$	a:f: r^* to i	H.A: r^* to $i_{(G)}$	$r^*/r^*(GHA)$	$\dot{V}_A(\text{speed})$	$\dot{I}_{GVA}(\text{speed})$	δ_0/α
Fifteen Non-Euro	Exogenous			v.a. of r^* is the line $i=0$					
1990	0.0998	0.0654	2.5605	0.00029	0.0439	0.0112	(0.0677)	(0.0616)	43.689
1991	0.1135	0.0598	1.7236	0.00004	0.0055	0.0010	(0.0816)	(0.0432)	(249.074)
1992	0.1160	0.0653	1.6639	(0.00036)	(0.0420)	(0.0079)	(0.0809)	(0.0347)	(20.071)
1993	0.1605	0.0594	1.0493	(0.00171)	(0.1444)	(0.0233)	(0.0968)	(0.0210)	(16.205)
1994	0.1499	0.0581	1.2039	(0.00043)	(0.0749)	(0.0062)	(0.0405)	(0.0148)	(18.317)
1995	0.1807	0.0586	1.7964	(0.00000)	(0.0024)	(0.0001)	(0.0045)	(0.0062)	(3.286)
1996	0.1884	0.0562	1.7723	0.00047	0.0604	0.0096	0.2943	(0.0063)	(8.983)
1997	0.2761	0.0521	0.7891	0.00008	0.2013	0.0032	(0.0023)	(0.0024)	(1.506)
1998	0.3114	0.0503	0.5729	0.00006	0.1976	0.0033	(0.0019)	(0.0022)	(1.469)
1999	0.3230	0.0492	0.4812	0.00115	0.0867	0.0533	(0.0017)	(0.0098)	(1.469)
2000	0.3426	0.0501	0.4032	0.00071	0.0516	0.0318	(0.0013)	(0.0177)	(1.467)
2001	0.4041	0.0592	0.2886	0.00004	0.2395	0.0026	(0.0008)	(0.0014)	(1.747)
2002	0.3347	0.0765	0.3062	0.00082	0.2135	0.0351	0.1422	(0.0166)	(4.481)
2003	0.2807	0.0835	0.3059	0.00003	0.1813	0.0020	(0.0051)	(0.0012)	(4.385)
2004	0.2655	0.0870	0.2988	0.00005	0.2940	0.0019	(0.0034)	(0.0007)	(53.757)
2005	0.1507	0.0967	0.3888	0.00005	0.2495	0.0021	(0.0033)	(0.0007)	(11.361)
2006	0.1367	0.0827	0.4547	0.00048	0.1895	0.0172	(0.0045)	(0.0021)	(16.751)
2007	0.1280	0.0840	0.5079	0.00006	0.3954	0.0010	(0.0028)	(0.0091)	30.239
Average	0.2201	0.0663	0.9204	0.0001	0.1192	0.0077	0.0021	(0.0010)	(14.8112)
(2) Rate of	r^*	$r^*(US)$	$r_{(DEBT)/r^*}$	a:f: r^* to i	H.A: r^* to $i_{(G)}$	$r^*/r^*(GHA)$	$\dot{V}_A(\text{speed})$	$\dot{I}_{GVA}(\text{speed})$	δ_0/α
30 countries (excl. EU)	Exogenous			v.a. of r^* is the line $i=0$					
1990	0.1723	0.0654	1.4159	0.00097	0.12893	0.01081	(0.0782)	(0.1123)	1.8143
1991	0.1702	0.0598	1.2997	(0.00135)	0.15280	(0.01512)	(0.0992)	0.0473	1.8558
1992	0.1750	0.0653	1.1622	0.00577	0.08727	0.04330	(0.0854)	(0.5116)	1.7115
1993	0.1180	0.0594	1.6063	(0.00002)	(0.00062)	(0.00022)	(0.0872)	(0.0908)	2.1847
1994	0.1253	0.0581	1.5066	0.00024	(0.01863)	0.00643	0.0349	0.0154	2.2654
1995	0.1522	0.0586	1.2196	0.01398	0.04169	0.0179	(0.6505)	(3.3022)	2.0635
1996	0.1460	0.0562	1.1698	0.00071	0.10234	0.00787	(0.0779)	(0.0320)	1.9423
1997	0.1490	0.0521	1.0269	0.00165	0.15805	0.01494	(0.0775)	(0.0732)	1.7034
1998	0.1072	0.0503	1.4760	(0.01044)	0.32861	(0.11376)	(0.0770)	0.1652	2.4375
1999	0.0845	0.0492	1.6612	(0.00323)	0.28598	(0.03595)	(0.0739)	0.1110	3.0851
2000	0.1718	0.0501	0.7060	0.02113	0.13076	0.16866	(0.0706)	(3.9620)	1.8062
2001	0.1673	0.0592	0.7249	0.00080	0.30237	0.00904	(0.0756)	(0.0455)	1.8127
2002	0.1592	0.0765	0.9620	(0.00156)	0.33582	(0.01922)	(0.0634)	0.0785	1.7944
2003	0.1520	0.0835	0.7019	0.00204	0.28225	0.02206	(0.0607)	(0.1267)	1.7333
2004	0.1748	0.0870	0.5865	0.00531	0.25613	0.05700	(0.0603)	(0.4268)	1.5430
2005	0.0930	0.0967	1.1027	0.00002	0.25314	0.00022	(0.0616)	(0.0011)	1.6437
2006	0.1079	0.0827	0.9798	0.00111	0.23078	0.01247	(0.0604)	(0.0673)	1.5524
2007	0.1060	0.0840	0.8648	0.00003	0.25045	0.00033	(0.1514)	(0.0016)	1.9376
Average	0.1407	0.0663	1.1207	0.0021	0.1838	0.0150	(0.1042)	(0.4631)	1.9382

Table 3 Exchange rates and related real assets by three areas (Part III-3 in KEWT 3.09)

(3) Exchaper US\$, ae	gy*	gy*(us)	gy**	(e(us)/gy**	gy/gy*	r*-r*(us)	e*(us)	e(us)/e*(us)
Thirteen	e(us)→e(eu)	gy**	gy**	e(us)→e(eu)	gy/gy*	r*-r*(us)	e*(us)	e(us)/e*(us)
1990	1.3633	0.0949	0.0046	29.8440	0.0654	0.0711	1.4344	0.9561
1991	1.3409	0.1027	0.0031	32.6250	0.0411	0.0617	1.4026	0.956
1992	1.2109	0.0733	0.0026	28.5432	0.0424	0.0577	1.2686	0.955
1993	1.1200	0.0556	0.0085	6.5493	0.1710	0.0615	1.1815	0.948
1994	1.2300	0.0539	0.0130	4.1354	0.2974	0.0570	1.2870	0.956
1995	1.3142	0.0589	0.0117	5.0346	0.2610	(0.1574)	1.3522	0.972
1996	1.2530	0.0507	0.0145	3.4879	0.3592	0.0388	1.2918	0.970
1997	1.1020	0.0538	0.0187	2.8753	0.3833	0.0357	1.1377	0.969
1998	1.1668	0.0528	0.0237	2.2293	0.5234	0.0356	1.2024	0.970
1999	0.9954	0.0812	0.0301	2.6992	0.3688	(0.7599)	1.0491	0.949
2000	1.0747	0.0790	0.0332	2.3784	0.4519	0.0546	1.1293	0.952
2001	1.1347	0.0710	0.0183	3.8851	0.2921	(2.9435)	1.1642	0.975
2002	0.9536	0.0591	0.0167	3.5385	0.2695	0.0080	0.9616	0.992
2003	0.7918	0.0469	0.0153	3.0713	0.2578	0.0007	0.7925	0.999
2004	0.7342	0.0472	0.0176	2.6823	0.2737	0.0019	0.7361	0.997
2005	0.8477	0.0443	0.0165	2.6848	0.3157	0.0031	0.8508	0.996
2006	0.7593	0.0433	0.0248	1.7435	0.4355	0.0080	0.7673	0.990
2007	0.6793	0.0562	0.0214	2.6319	0.2581	(0.0129)	0.6664	1.019
Average	1.0595	0.0625	0.0163	7.3133	0.2815	0.0335	1.0931	0.9730
(3) Exchaper US\$, ae	gy*	gy*(us)	gy**	(e(us)/gy**	gy/gy*	r*-r*(us)	e*(us)	e(us)/e*(us)
Fifteen	e(us)→e(eu)	gy**	gy**	e(us)→e(eu)	gy/gy*	r*-r*(us)	e*(us)	e(us)/e*(us)
1990	1.3633	0.0589	0.0046	12.9364	0.1054	0.0345	1.3978	0.975
1991	1.3409	0.0469	0.0031	14.9028	0.0900	0.0537	1.3946	0.961
1992	1.2109	0.0490	0.0026	19.0641	0.0635	0.0507	1.2616	0.960
1993	1.1200	0.0508	0.0085	5.9824	0.1872	0.1011	1.2211	0.917
1994	1.2300	0.0510	0.0130	3.9159	0.3141	0.0919	1.3219	0.931
1995	1.3142	0.0808	0.0117	6.9028	0.1904	0.1222	1.4364	0.915
1996	1.2530	0.0910	0.0145	6.2602	0.2002	0.1322	1.3852	0.905
1997	1.1020	0.0941	0.0187	5.0278	0.2192	10.8924	1.3259	0.831
1998	1.1668	0.0893	0.0237	3.7676	0.3097	0.2612	1.4280	0.817
1999	0.9954	0.0812	0.0301	2.7012	0.3685	0.2738	1.2692	0.784
2000	1.0747	0.0915	0.0332	2.7561	0.3899	0.2924	1.3671	0.786
2001	1.1347	0.1531	0.0183	8.3845	0.1353	0.3448	1.4795	0.767
2002	0.9536	0.1416	0.0167	8.4769	0.1125	0.2582	1.2118	0.787
2003	0.7918	0.1549	0.0153	10.1506	0.0780	0.1972	0.9890	0.801
2004	0.7342	0.1627	0.0176	9.2471	0.0794	0.1786	0.9128	0.804
2005	0.8477	0.0728	0.0165	4.4087	0.1923	0.0540	0.9017	0.940
2006	0.7593	0.0862	0.0248	3.4691	0.2189	0.0540	0.8133	0.934
2007	0.6793	0.1097	0.0214	5.1375	0.1322	0.0440	0.7233	0.939
Average	1.0595	0.0925	0.0163	7.4162	0.1881	0.2708	1.2133	0.8752

(3) Exchaper US\$, ae	gy*	gy*(us)	gy**	(e(us)/gy**	gy/gy*	r*-r*(us)	e*(us)	e(us)/e*(us)
30 countri	e(us)→e(us)	Exogenous	gy**	e(us)→e(us)	(less 18)	r*-r*(us)	e*(us)	e(us)/e*(us)
1990	1.3633	0.0982	0.0046	21.56	0.0632	0.1070	1.4703	0.9273
1991	1.3409	0.0947	0.0031	30.07	0.0446	0.1104	1.4513	0.9240
1992	1.2109	0.0912	0.0026	35.48	0.0341	0.1097	1.3206	0.9169
1993	1.1200	0.0714	0.0085	8.40	0.1333	0.0586	1.1786	0.9503
1994	1.2300	0.0701	0.0130	5.38	0.2287	0.0672	1.2972	0.9482
1995	1.3142	0.0845	0.0117	7.22	0.1821	0.0937	1.4079	0.9335
1996	1.2530	0.0886	0.0145	6.095	0.2056	0.0898	1.3428	0.9331
1997	1.1020	0.0895	0.0187	4.782	0.2304	0.0969	1.1989	0.9192
1998	1.1668	0.0584	0.0237	2.465	0.4734	0.0570	1.2238	0.9535
1999	0.9954	0.0504	0.0301	1.676	0.5939	0.0353	1.0307	0.9657
2000	1.0747	0.0792	0.0332	2.386	0.4504	0.1217	1.1964	0.8983
2001	1.1347	0.0793	0.0183	4.342	0.2613	0.1081	1.2428	0.9130
2002	0.9536	0.0816	0.0167	4.883	0.1953	0.0827	1.0363	0.9202
2003	0.7918	0.0821	0.0153	5.377	0.1472	0.0685	0.8603	0.9204
2004	0.7342	0.0923	0.0176	5.247	0.1399	0.0878	0.8220	0.8932
2005	0.8477	0.0625	0.0165	3.783	0.2241	(0.0037)	0.8440	1.0044
2006	0.7593	0.0664	0.0248	2.672	0.2842	0.0252	0.7845	0.9679
2007	0.6793	0.0647	0.0214	3.029	0.2243	0.0220	0.7013	0.9686
Average	1.0595	0.0781	0.0163	8.6032	0.2287	0.0743	1.1339	0.9365

Table 4 Speed of convergence function to $i = I/Y$ with vertical asymptote by sector and area (Part IV-1 in KEWT 3.09)

PART IV-1	1/λ*	1/λ(G)*	1/λ(PRI)*	IVλ(speeciGVA(speciPRIVλ(s	alpha	alpha(G)	alpha(PRI)
EU, Thirteen Euro currency countries (including Slovenia in 2007)							
1990	6.69	6.88	4.09	(0.0047) (0.0087) (0.0025)	0.0937	(0.1566)	0.1399
1991	6.02	10.07	1.43	(0.0014) 0.0103 (0.0006)	0.0935	(0.1476)	0.1381
1992	3.52	(10.52)	21.50	(0.0001) 0.0780 0.0221	0.1057	(0.1696)	0.1588
1993	(15.10)	7.19	(274.04)	0.0004 (0.0009) 0.0036	0.1125	(0.1872)	0.1717
1994	(85.80)	6.78	579.80	0.0023 (0.0009) (0.0077)	0.1122	(0.1550)	0.1651
1995	(52.26)	(11.01)	396.85	0.0016 0.0879 (0.0102)	0.0939	(0.1960)	0.1537
1996	111.37	16.88	106.47	(0.0469) (0.0315) (0.0111)	0.0975	(0.2592)	0.1668
1997	58.24	22.09	53.11	(0.0164) (0.0064) (0.0644)	0.0937	(0.1071)	0.1385
1998	42.01	(40.09)	33.08	(0.0104) 0.0324 0.0058	0.0970	(0.0461)	0.1317
1999	32.48	(25.87)	25.11	(0.0140) 0.0224 (0.0007)	0.1140	0.0326	0.1355
2000	26.78	15.50	11.76	(0.0155) (0.0016) 0.0262	0.1251	0.0507	0.1466
2001	23.95	19.68	14.92	(0.0175) (0.0009) 0.0248	0.1191	0.0416	0.1428
2002	27.18	53.82	21.56	(0.0212) 0.2230 0.0041	0.1203	0.0421	0.1448
2003	33.12	53.33	27.37	(0.0234) 0.2405 0.0044	0.1272	0.0473	0.1527
2004	33.00	32.72	26.07	(0.0222) 0.6427 0.0154	0.1397	0.0513	0.1688
2005	36.36	32.96	18.92	(0.0201) (0.0003) 0.0325	0.1633	0.0359	0.2062
2006	35.80	(8.60)	32.26	(0.0159) 0.0017 (0.1853)	0.1527	0.0493	0.1868
2007	26.01	10.91	22.24	(0.0119) (0.0003) (0.4878)	0.1089	0.0911	0.1147
Average	19.4097	10.7069	62.3609	(0.0132) 0.0715 (0.0351)	0.1150	(0.0546)	0.1535
Fifteen Non-Euro countries in EU area							
1990	(6.13)	40.79	4.46	0.0000 (0.0001) (0.0001)	0.0928	0.0640	0.1014
1991	0.91	21.40	8.69	(0.0000) (0.0007) (0.0002)	0.1009	0.0079	0.1263
1992	7.60	13.89	11.09	(0.0002) (0.0005) (0.0002)	0.0983	(0.0623)	0.1371
1993	7.28	4.81	9.44	(0.0002) (0.0003) (0.0002)	0.1296	(0.2280)	0.2035
1994	7.17	10.52	10.94	(0.0003) (0.0141) (0.0040)	0.1058	(0.1015)	0.1476
1995	10.03	8.15	10.89	(0.0046) (0.0062) (0.0044)	0.0946	(0.0020)	0.1155
1996	5.85	1.42	6.80	(0.0165) (0.0063) (0.0167)	0.0951	0.0536	0.1041
1997	10.06	6.12	11.44	(0.0024) (0.0024) (0.0024)	0.1019	0.1172	0.0986
1998	10.64	7.52	11.68	(0.0021) (0.0022) (0.0020)	0.1140	0.1083	0.1152
1999	11.68	2.23	13.95	(0.0018) (0.0098) 0.0077	0.1184	0.0705	0.1290
2000	10.41	3.30	12.24	(0.0015) (0.0178) 0.0089	0.1293	0.0400	0.1489
2001	6.03	7.99	5.71	(0.0012) (0.0014) (0.0012)	0.1715	0.1106	0.1842
2002	4.58	4.26	4.69	(0.0102) (0.0174) (0.0080)	0.1725	0.1297	0.1819
2003	4.40	9.38	3.65	(0.0008) (0.0012) (0.0007)	0.1767	0.1011	0.1938
2004	0.64	4.68	(0.40)	(0.0001) (0.0007) 0.0000	0.2053	0.1806	0.2109
2005	6.61	2.82	7.97	(0.0006) (0.0004) (0.0007)	0.1183	0.1752	0.1049
2006	4.53	(7.20)	7.12	(0.0007) 0.0093 0.0007	0.1115	0.1577	0.1008
2007	(4.08)	31.55	6.29	0.0002 (0.0024) (0.0026)	0.1168	0.4325	0.0430
Average	5.4558	9.6457	8.1475	(0.0026) (0.0041) (0.0015)	0.1252	0.0753	0.1359
AGGREGATION & AVERAGE of non-Euro 30 countries							
1990	21.67	18.61	24.48	(0.0782) (0.1117) (0.0813)	0.2769	0.1544	0.2996
1991	21.59	9.40	23.59	(0.0992) 0.0473 (0.1777)	0.2766	0.1858	0.2934
1992	23.13	11.99	26.83	(0.0854) (0.5118) (0.0289)	0.2932	0.1979	0.3167
1993	22.58	21.29	21.25	(0.0872) (0.0909) (0.3048)	0.2050	(0.0017)	0.2367
1994	22.85	33.77	22.84	(0.1132) (0.2159) (0.1018)	0.2136	(0.0278)	0.2483
1995	21.04	13.50	22.01	(0.1402) (1.0643) (0.1432)	0.2526	0.2433	0.2545
1996	20.38	17.66	20.91	(0.1099) (0.0546) (0.1244)	0.2495	0.2086	0.2575
1997	21.27	14.42	24.18	(0.0775) (0.0732) (0.0956)	0.2653	0.3154	0.2541
1998	26.26	5.14	55.44	(0.0770) 0.1651 (0.1455)	0.1834	0.3790	0.1359
1999	27.71	14.22	46.16	(0.0739) 0.1110 (0.7487)	0.1420	0.4180	0.0692
2000	26.40	9.18	44.10	(0.0706) (0.0744) (0.0887)	0.2792	0.4694	0.2242
2001	25.67	17.08	45.34	(0.0756) (0.0460) (0.1174)	0.2755	0.4929	0.2090
2002	24.60	18.20	41.68	(0.0634) 0.0786 (0.1601)	0.2648	0.5094	0.1881
2003	23.79	16.45	45.69	(0.0607) (0.1293) (0.0617)	0.2618	0.5114	0.1818
2004	23.68	15.69	39.68	(0.0603) (0.4254) (0.0156)	0.3051	0.5296	0.2313
2005	23.84	19.56	49.54	(0.0616) (0.0011) (0.0942)	0.2072	0.5517	0.0911
2006	24.16	18.94	45.40	(0.0604) (0.0673) (0.0203)	0.2329	0.5395	0.1320
2007	21.59	20.10	29.44	(0.1514) (0.0016) (0.5312)	0.2243	0.5557	0.1153
Average	23.4561	16.4007	34.9207	(0.0859) (0.1370) (0.1690)	0.2450	0.3462	0.2074

Table 5 Rate of return function to $i = I/Y$ with horizontal asymptote by sector and area (Part IV-2 in KEWT 3.09)

PART IV-2	af of r^* to i	HA: r^* to i	$r^* - r^*(HA)$	af of r^*_c to i	HA: r^*_c to i	$r^*_c - r^*(HA)$	af of r^*_{p0} to i	HA: r^*_{p0} to i	$r^*_{p0} - r^*(HA)$	VA of r^* is the line $i=0$
EU, Thirteen Euro currency countries (including Slovenia in 2007)										
1990	0.00017	0.1298	0.0667	(0.00028)	(0.3658)	(0.0132)	0.00024	0.1798	0.0100	
1991	0.00005	0.1198	0.0017	0.00029	(0.2866)	0.0116	0.00015	0.1649	0.0050	
1992	0.00001	0.1225	0.0005	(0.00955)	(0.1289)	(0.1436)	(0.00065)	0.2088	(0.0335)	
1993	0.00001	0.1202	0.0006	(0.00012)	(0.5327)	(0.0022)	0.00002	0.2144	0.0012	
1994	0.00001	0.1144	0.0006	(0.00014)	(0.5066)	(0.0020)	0.00002	0.2077	0.0013	
1995	0.00001	0.0961	0.0005	(0.00837)	(0.1498)	(0.0980)	0.00002	0.1512	0.0009	
1996	0.00014	0.0895	0.0055	(0.00190)	(0.2418)	(0.0482)	0.00007	0.1552	0.0035	
1997	0.00011	0.0840	0.0039	(0.00014)	(0.1214)	(0.0061)	0.00050	0.1074	0.0166	
1998	0.00010	0.0823	0.0035	(0.00045)	(0.0380)	(0.0177)	(0.00010)	0.1129	(0.0035)	
1999	0.00014	0.0996	0.0033	0.00019	0.0301	0.0070	0.00001	0.1158	0.0002	
2000	0.00029	0.1002	0.0045	0.00260	0.0131	0.0465	(0.00095)	0.1256	(0.0223)	
2001	0.00026	0.0834	0.0053	0.00190	0.0032	0.0495	(0.00070)	0.1076	(0.0131)	
2002	0.00032	0.0775	0.0070	0.00065	0.0217	0.0317	(0.00009)	0.0909	(0.0017)	
2003	0.00036	0.0753	0.0090	0.00073	0.0256	0.0328	(0.00010)	0.0904	(0.0022)	
2004	0.00037	0.0798	0.0090	0.00120	0.0207	0.0416	(0.00043)	0.1025	(0.0097)	
2005	0.00038	0.0901	0.0097	0.00000	0.0432	0.0004	(0.00159)	0.1532	(0.0452)	
2006	0.00030	0.0832	0.0076	0.00009	0.0503	0.0072	0.00216	0.0584	0.0371	
2007	0.00019	0.0671	0.0040	0.00001	0.1145	0.0006	0.00283	0.0300	0.0346	
Average	0.0002	0.0953	0.0046	(0.00074)	(0.1139)	(0.0057)	0.0001	0.1326	(0.0012)	
Fifteen Non-Euro countries in EU area										
1990	0.00000	0.0998	0.0001	0.00000	0.0551	0.0000	0.00001	0.1176	0.0005	
1991	0.00001	0.1128	0.0007	0.00000	0.0065	0.0000	0.00001	0.1559	0.0010	
1992	0.00001	0.1153	0.0007	(0.00001)	(0.0496)	(0.0003)	0.00001	0.1815	0.0011	
1993	0.00001	0.1595	0.0009	(0.00005)	(0.1669)	(0.0009)	0.00002	0.2917	0.0018	
1994	0.00024	0.1340	0.0159	(0.00041)	(0.0751)	(0.0060)	0.00029	0.2172	0.0305	
1995	0.00012	0.1719	0.0388	(0.00000)	(0.0024)	(0.0001)	0.00014	0.2348	0.0128	
1996	0.00064	0.1550	0.0334	0.00047	0.0604	0.0096	0.00065	0.1871	0.0446	
1997	0.00005	0.2698	0.0063	0.00008	0.2013	0.0032	0.00005	0.2946	0.0077	
1998	0.00005	0.3049	0.0065	0.00006	0.1976	0.0033	0.00005	0.3441	0.0080	
1999	0.00005	0.3163	0.0067	0.00115	0.0867	0.0533	(0.00017)	0.4169	(0.0335)	
2000	0.00004	0.3373	0.0052	0.00071	0.0518	0.0317	(0.00024)	0.4577	(0.0385)	
2001	0.00005	0.4008	0.0033	0.00004	0.2388	0.0026	0.00005	0.4379	0.0034	
2002	0.00063	0.3069	0.0278	0.00095	0.2130	0.0388	0.00049	0.3304	0.0224	
2003	0.00005	0.2789	0.0018	0.00003	0.1718	0.0019	0.00006	0.3009	0.0018	
2004	0.00006	0.2641	0.0014	0.00005	0.2711	0.0019	0.00000	0.2641	0.0000	
2005	0.00004	0.1489	0.0018	0.00005	0.2271	0.0019	0.00004	0.1311	0.0018	
2006	0.00005	0.1349	0.0018	0.00057	0.1714	0.0174	(0.00003)	0.1252	(0.0011)	
2007	0.00001	0.1276	0.0003	0.00003	0.3679	0.0004	0.00006	0.0486	0.0019	
Average	0.0001	0.2133	0.0069	0.0000	0.1126	0.0088	0.0001	0.2521	0.0037	
AGGREGATION & AVERAGE of Non-Euro 30 countries										
1990	0.00156	0.1498	0.0225	0.00098	0.1288	0.0108	0.00163	0.1506	0.0257	
1991	0.00190	0.1434	0.0267	(0.00135)	0.1527	(0.0151)	0.00292	0.1316	0.0434	
1992	0.00170	0.1496	0.0255	0.00577	0.0872	0.0433	0.00067	0.1706	0.0120	
1993	0.00154	0.0964	0.0216	(0.00002)	(0.0006)	(0.0002)	0.00388	0.0901	0.0502	
1994	0.00190	0.0984	0.0268	(0.00047)	(0.0058)	(0.0064)	0.00185	0.1257	0.0274	
1995	0.00242	0.1201	0.0322	0.00888	0.0689	0.0746	0.00244	0.1202	0.0339	
1996	0.00205	0.1199	0.0262	0.00113	0.0980	0.0122	0.00225	0.1242	0.0297	
1997	0.00159	0.1279	0.0211	0.00165	0.1581	0.0149	0.00180	0.1168	0.0267	
1998	0.00127	0.0863	0.0209	(0.01043)	0.3286	(0.1137)	0.00115	0.0428	0.0373	
1999	0.00103	0.0666	0.0179	(0.00322)	0.2860	(0.0359)	0.00116	0.0093	0.0318	
2000	0.00140	0.1475	0.0244	0.02108	0.1311	0.1684	0.00134	0.0993	0.0373	
2001	0.00149	0.1424	0.0249	0.00081	0.3024	0.0091	0.00152	0.0828	0.0246	
2002	0.00129	0.1383	0.0209	(0.00157)	0.3352	(0.0193)	0.00176	0.0677	0.0444	
2003	0.00126	0.1327	0.0193	0.00208	0.2814	0.0224	0.00093	0.0789	0.0259	
2004	0.00130	0.1551	0.0197	0.00530	0.2558	0.0569	0.00035	0.1218	0.0094	
2005	0.00118	0.0785	0.0145	0.00002	0.2526	0.0002	0.00071	0.0248	0.0158	
2006	0.00122	0.0920	0.0159	0.00111	0.2301	0.0125	0.00032	0.0536	0.0082	
2007	0.00247	0.0785	0.0274	0.00003	0.2495	0.0003	0.00245	0.0207	0.0347	
Average	0.0016	0.1180	0.0227	0.0002	0.1856	0.0131	0.0016	0.0906	0.0298	

Table 6 Speed of convergence function to the rate of change in population n with vertical asymptote and the gradient of intercept by sector and area (Part IV-3 in KEWT 3.09)

PART IV-3	speed VA	speedG VA	speedPRI VA	gra of r* to n its intercept	graG of r*G its intercept	graGPRI of its intercept		
E0. Thirteen Euro currency countries (including Slovenia in 2007)								
1990	(0.1601)	(0.1207)	(0.2796)	1.490	0.1291	(2.194) (0.3640)	2.222	0.1789
1991	(0.1818)	(0.0913)	(0.3072)	1.284	0.1196	(1.993) (0.2880)	1.819	0.1644
1992	(0.3175)	0.1565	(0.0675)	1.792	0.1224	(1.488) (0.1199)	2.959	0.2114
1993	0.0749	(0.0180)	0.0198	2.280	0.1202	(4.613) (0.5326)	4.339	0.2143
1994	0.0134	0.0029	0.0076	2.237	0.1144	(4.149) (0.5064)	4.387	0.2077
1995	0.0214	0.1316	(0.0027)	1.727	0.0961	(1.307) (0.1419)	3.245	0.1512
1996	(0.0068)	(0.0370)	(0.0101)	1.848	0.0892	(3.614) (0.2394)	3.168	0.1550
1997	(0.0165)	(0.0384)	(0.0138)	1.642	0.0838	(2.114) (0.1211)	2.178	0.1066
1998	(0.0241)	0.0403	(0.0366)	1.637	0.0821	(0.984) (0.0374)	2.069	0.1131
1999	(0.0320)	0.0514	(0.0459)	1.323	0.0993	0.598 0.0298	1.409	0.1157
2000	(0.0391)	0.0020	(0.1157)	1.364	0.0998	0.647 0.0122	1.531	0.1378
2001	(0.0428)	0.0003	(0.0893)	1.253	0.0830	0.926 0.0030	1.290	0.1088
2002	(0.0365)	0.0054	(0.0555)	1.381	0.0771	1.288 0.0212	1.369	0.0910
2003	(0.0290)	0.0059	(0.0445)	1.672	0.0749	1.297 0.0249	1.713	0.0905
2004	(0.0299)	0.0033	(0.0517)	1.761	0.0794	1.179 0.0200	1.863	0.1031
2005	(0.0281)	(0.0313)	(0.0862)	2.112	0.0896	1.829 0.0432	2.465	0.1563
2006	(0.0290)	0.1262	(0.0162)	1.996	0.0828	1.871 0.0501	1.754	0.0571
2007	(0.0398)	(0.1006)	(0.0123)	1.256	0.0668	2.104 0.1145	0.927	0.0289
Average	(0.0502)	0.0049	(0.0949)	1.670	0.0950	(0.5954) (0.1129)	2.2614	0.1329
speed VA speedG VA speedPRI VA gra of r* to n its intercept graG of r*G its intercept graGPRI of its intercept								
Fifteen Non-Euro countries in EU area								
1990	0.1797	(0.0262)	(0.2490)	1.794	0.0998	1.486 0.0551	1.890	0.1175
1991	(1.2264)	(0.0468)	(0.1314)	2.517	0.1128	0.123 0.0065	3.570	0.1559
1992	(0.1456)	(0.0675)	(0.1042)	2.468	0.1153	(0.857) (0.0496)	3.938	0.1814
1993	(0.1576)	(0.1689)	(0.1327)	3.297	0.1595	(2.122) (0.1668)	6.375	0.2916
1994	(0.0299)	0.0802	(0.0111)	2.744	0.1332	(0.807) (0.0743)	3.249	0.2159
1995	(0.1059)	(0.1183)	(0.0997)	2.290	0.1712	(0.023) (0.0024)	3.305	0.2338
1996	(0.1688)	(0.7231)	(0.1441)	1.822	0.1520	0.452 0.0593	2.414	0.1834
1997	(0.1085)	(0.1828)	(0.0948)	3.131	0.2692	1.542 0.2009	3.808	0.2940
1998	(0.1042)	(0.1472)	(0.0948)	3.714	0.3043	1.793 0.1972	4.515	0.3434
1999	(0.0954)	(0.4434)	(0.0891)	4.202	0.3157	1.373 0.0834	5.347	0.4197
2000	(0.1089)	(0.2739)	(0.1041)	4.018	0.3358	0.744 0.0497	5.193	0.4614
2001	(0.1990)	(0.1394)	(0.2134)	3.015	0.4003	2.180 0.2385	3.145	0.4373
2002	(0.2511)	(0.2464)	(0.2504)	2.442	0.3029	1.777 0.2082	2.568	0.3271
2003	(0.2750)	(0.1176)	(0.3385)	2.077	0.2786	1.967 0.1717	2.074	0.3006
2004	(1.9584)	(0.2599)	3.1507	1.885	0.2639	2.330 0.2708	1.814	0.2641
2005	(0.1706)	(0.4291)	(0.1394)	2.192	0.1488	2.395 0.2269	2.129	0.1310
2006	(0.2472)	0.1745	(0.1569)	1.698	0.1348	1.943 0.1698	1.615	0.1253
2007	0.2778	(0.0555)	(0.1633)	1.290	0.1276	1.810 0.3678	0.683	0.0485
Average	(0.2786)	(0.1862)	0.3002	2.589	0.2126	1.0059 0.1118	3.3118	0.2518
speed VA speedG VA speedPRI VA gra of r* to n its intercept graG of r*G its intercept graGPRI of its intercept								
AGGREGATION & AVERAGE of non-Euro 30 countries								
1990	(0.0488)	(0.0486)	(0.0433)	1.651	0.1476	0.671 0.1269	1.863	0.1483
1991	(0.0461)	(0.1491)	(0.0339)	1.629	0.1409	0.777 0.1556	1.792	0.1282
1992	(0.0454)	(0.0435)	(0.0479)	1.762	0.1472	0.646 0.0822	2.096	0.1696
1993	(0.0394)	(0.0306)	(0.0257)	1.423	0.0948	(0.012) (0.0006)	1.482	0.0870
1994	(0.0362)	(0.0093)	(0.0401)	1.474	0.0956	(0.290) (0.0057)	1.635	0.1235
1995	(0.0405)	(0.0215)	(0.0378)	1.506	0.1174	0.968 0.0640	1.580	0.1175
1996	(0.0457)	(0.0597)	(0.0430)	1.444	0.1175	1.042 0.0968	1.510	0.1216
1997	(0.0490)	(0.0863)	(0.0385)	1.535	0.1260	0.998 0.1558	1.685	0.1149
1998	(0.0323)	(0.4279)	(0.0065)	1.543	0.0851	0.984 0.3713	2.641	0.0422
1999	(0.0283)	(0.1530)	(0.0015)	1.369	0.0657	1.201 0.2955	1.474	0.0091
2000	(0.0392)	(0.0257)	(0.0160)	1.953	0.1455	0.882 0.1111	2.911	0.0980
2001	(0.0397)	(0.1071)	(0.0127)	1.911	0.1404	1.183 0.2999	2.881	0.0816
2002	(0.0428)	(0.1290)	(0.0113)	1.811	0.1366	1.273 0.3410	2.501	0.0664
2003	(0.0448)	(0.1029)	(0.0164)	1.729	0.1311	1.090 0.2755	2.584	0.0781
2004	(0.0489)	(0.0805)	(0.0291)	1.813	0.1532	1.072 0.2424	2.719	0.1213
2005	(0.0412)	(0.1138)	(0.0105)	1.319	0.0775	1.208 0.2525	1.369	0.0245
2006	(0.0424)	(0.1031)	(0.0210)	1.461	0.0909	1.165 0.2274	1.900	0.0534
2007	(0.0366)	(0.1117)	(0.0071)	1.263	0.0767	1.242 0.2495	1.129	0.0200
Average	(0.0415)	(0.1002)	(0.0246)	1.590	0.1162	0.8946 0.1856	1.9862	0.0892

**Table 7 Endogenous inflation/deflation rates compared with external inflation rate
by area (Part IV-4 in KEWT 3.09)**

PART IV-4 ^r _{RE} =r [*] +r ^w , Inflation r [*]	gCPI	gCPI/Inf r [*]	gWEXT	gWEXT/gW [*]	gVTHEO/gV [*]	(gWEXT/gW [*])/C	gC
EO. Thirteen Euro currency countries (including Slovenia in 2007)							
1990	0.0067	0.1212	0.0627	0.5175	0.0630	0.6644	0.5926
1991	0.0017	0.1243	0.0608	0.4893	0.0643	0.6257	0.5565 (0.0014)
1992	0.0005	0.1198	0.0550	0.4592	0.0599	0.8170	0.4248
1993	0.0006	0.1016	0.0478	0.4698	0.0472	0.8478	0.4945
1994	0.0006	0.1006	0.0615	0.6115	0.0322	0.5969	4.7739
1995	0.0005	0.1058	0.0369	0.3488	0.0078	0.1322	0.1892
1996	0.0055	0.0845	0.0299	0.3543	0.0456	0.8991	0.8740
1997	0.0039	0.0708	0.0230	0.3247	0.0423	0.7862	1.3625
1998	0.0035	0.0552	0.0208	0.3768	0.0361	0.6844	0.7363
1999	0.0033	0.0485	0.0182	0.3749	0.0063	0.0773	(0.9767)
2000	0.0045	0.0558	0.0328	0.5877	0.0390	0.4940	0.7758
2001	0.0053	0.0524	0.0361	0.6883	0.0443	0.6240	(2.8675)
2002	0.0070	0.0483	0.0301	0.6239	0.0434	0.7333	0.7090
2003	0.0090	0.0335	0.0235	0.7608	0.0497	1.0609	0.2594
2004	0.0090	0.0321	0.0218	0.6793	0.0355	0.7526	0.4435
2005	0.0097	0.0242	0.0231	0.9532	0.0266	0.5990	0.0541
2006	0.0076	0.0307	0.0235	0.7635	0.0289	0.6664	1.2392
2007	0.0040	0.0396	0.0257	0.6502	0.0320	0.5689	4.7720
Average	0.0046	0.0694	0.0353	0.5574	0.0391	0.6461	0.8175
							0.6050
							0.2849
Fifteen Non-Euro countries in EU area							
1990	0.0001	0.2556	0.2633	1.0302	(0.1611)	(2.7366)	(2.1795)
1991	0.0007	0.1950	0.2336	1.1979	0.0920	0.9601	2.8523
1992	0.0007	0.1923	0.2226	1.3573	(0.0634)	(1.2941)	3.2831
1993	0.0009	0.1675	0.2484	1.4831	(0.0541)	(1.0652)	2.4274
1994	0.0159	0.1646	0.1881	1.1425	0.1335	2.6146	1.7810
1995	0.0088	0.3159	0.2929	0.9273	(0.0334)	(0.4132)	6.2869
1996	0.0334	0.3005	0.0837	0.2785	(0.0678)	(0.7446)	4.6870
1997	0.0063	0.2116	0.1506	0.7118	0.0547	0.5817	10.7330
1998	0.0065	0.1719	0.0909	0.5292	0.0589	0.6604	4.8527
1999	0.0067	0.1487	0.1007	0.6769	0.1130	1.3913	4.6132
2000	0.0052	0.1329	0.1048	0.7887	0.0720	0.7870	4.1084
2001	0.0033	0.1133	0.1093	0.9646	0.0800	0.5222	3.5663
2002	0.0278	0.0747	0.0925	1.2393	0.0694	0.4898	2.3578
2003	0.0018	0.0841	0.0742	0.8827	0.0782	0.5049	1.7320
2004	0.0014	0.0779	0.0601	0.7717	0.0707	0.4344	1.0723
2005	0.0018	0.0568	0.0544	0.9580	0.0962	1.3216	4.0236
2006	0.0018	0.0604	0.0560	0.9272	0.0896	1.0394	2.1154
2007	0.0003	0.0646	0.0528	0.8175	0.1052	0.9591	1.2122
Average	0.0069	0.1549	0.1377	0.9158	0.0408	0.4125	3.4280
							0.3720
							0.0295
AGGREGATION & AVERAGE of non-Euro 30 countries							
1990	0.0225	0.2215	0.0960	0.4336	0.3882	3.9553	3.2382
1991	0.0267	0.1944	(0.0317)	(0.1628)	(0.1689)	(1.7838)	1.6033
1992	0.0255	0.1779	0.0802	0.4505	0.0432	0.4743	1.0311
1993	0.0216	0.1679	0.0767	0.4566	0.0619	0.8670	3.0116
1994	0.0268	0.1619	0.1819	1.1234	(0.0116)	(0.1657)	1.9059
1995	0.0322	0.1535	0.1932	1.2589	0.0393	0.4654	0.5599
1996	0.0262	0.1446	0.0804	0.5557	(0.1096)	(1.2370)	1.3936
1997	0.0211	0.1319	0.0593	0.4496	0.0428	0.4780	0.8924
1998	0.0209	0.1374	0.0686	0.4995	0.0302	0.5175	4.6203
1999	0.0179	0.1285	0.0460	0.3757	0.0497	0.9852	3.1641
2000	0.0244	0.0970	0.0422	0.4354	0.0567	0.7158	(0.1946)
2001	0.0249	0.0964	0.0449	0.4655	0.0549	0.6922	1.5511
2002	0.0209	0.1323	0.0498	0.3767	0.0559	0.6855	1.7446
2003	0.0193	0.0874	0.0534	0.6111	0.0504	0.6138	1.2362
2004	0.0197	0.0828	0.0520	0.6275	0.0611	0.6613	0.7568
2005	0.0145	0.0880	0.0627	0.7129	0.0640	1.0244	0.1933
2006	0.0159	0.0898	0.0385	0.4289	0.0639	0.9555	2.0948
2007	0.0274	0.0642	0.0229	0.3562	0.0382	0.5901	5.0354
Average	0.0227	0.1306	0.0676	0.5253	0.0450	0.5830	1.7000
							0.5146
							0.0367

Table 8 Rates of return and growth rates of output by sector with government shares of output, net investment, and capital by area (Part IV-5 in KEWT 3.09)

PART IV-5	$r^* = \Pi/K$	$r^*_{G/R} = \Pi_G / I + r^*_{PR/K} = \Pi_P$	g^*_Y	$g^*_{G/Y} = g^*_{G/Y} g^*_{P/Y} = g^*_{T/C}$	Y_G/Y	I_G/I	K_G/K	
E0. Thirteen Euro currency countries (including Slovenia in 2007)								
1990	0.1364	(0.0356) 0.1720	0.1004	0.0219	0.0784	0.1559	0.2159	0.0938
1991	0.1215	(0.0299) 0.1514	0.1043	0.0176	0.0867	0.1561	0.1768	0.1088
1992	0.1230	(0.0319) 0.1548	0.0766	0.0231	0.0535	0.1617	0.2034	0.1170
1993	0.1209	(0.0675) 0.1884	0.0551	0.0098	0.0453	0.1330	0.2268	0.1262
1994	0.1151	(0.0666) 0.1816	0.0531	0.0094	0.0437	0.1257	0.2353	0.1309
1995	0.0966	(0.0344) 0.1310	0.0648	0.0241	0.0408	0.1709	0.3200	0.1390
1996	0.0950	(0.0411) 0.1361	0.0539	0.0098	0.0441	0.1628	0.1874	0.1418
1997	0.0879	(0.0183) 0.1062	0.0585	0.0095	0.0490	0.1824	0.1651	0.1436
1998	0.0858	(0.0080) 0.0938	0.0551	0.0101	0.0450	0.1951	0.1404	0.1427
1999	0.1029	0.0061 0.0968	0.0837	0.0127	0.0710	0.2088	0.1270	0.1655
2000	0.1047	0.0095 0.0952	0.0831	0.0201	0.0631	0.2240	0.1248	0.1594
2001	0.0887	0.0073 0.0815	0.0746	0.0133	0.0613	0.2342	0.0683	0.1377
2002	0.0845	0.0071 0.0774	0.0631	0.0100	0.0531	0.2386	0.0809	0.1319
2003	0.0843	0.0076 0.0767	0.0522	0.0110	0.0411	0.2427	0.1116	0.1305
2004	0.0889	0.0081 0.0808	0.0529	0.0132	0.0397	0.2475	0.1201	0.1297
2005	0.0998	0.0055 0.0942	0.0411	0.0061	0.0350	0.2522	0.0922	0.1270
2006	0.0907	0.0072 0.0835	0.0501	0.0078	0.0424	0.2476	0.1126	0.1260
2007	0.0710	0.0147 0.0563	0.0683	0.0142	0.0541	0.2476	0.1703	0.1279
Average	0.0999	(0.0145) 0.1143	0.066	0.0135	0.0526	0.1993	0.1599	0.1322
Non-Euro countries in EU area								
1990	0.0998	0.0160 0.0839	0.0600	0.0088	0.0512	0.2315	0.1700	0.2896
1991	0.1135	0.0019 0.1116	0.0470	0.0109	0.0361	0.2141	0.2821	0.2887
1992	0.1160	(0.0143) 0.1303	0.0491	0.0100	0.0392	0.1944	0.2674	0.2864
1993	0.1685	(0.0484) 0.2089	0.0594	0.0101	0.0400	0.1713	0.3060	0.2885
1994	0.1499	(0.0241) 0.1741	0.0549	0.0135	0.0411	0.1678	0.3013	0.2873
1995	0.1807	(0.0007) 0.1814	0.0844	0.0181	0.0662	0.1785	0.2679	0.2673
1996	0.1884	0.0188 0.1697	0.1113	0.0257	0.0855	0.1768	0.2891	0.2678
1997	0.2761	0.0550 0.2210	0.0951	0.0240	0.0711	0.1731	0.2873	0.2689
1998	0.3114	0.0540 0.2574	0.0905	0.0215	0.0690	0.1826	0.2701	0.2690
1999	0.3230	0.0348 0.2882	0.0825	0.0188	0.0637	0.1808	0.1947	0.2483
2000	0.3426	0.0191 0.3235	0.0926	0.0199	0.0727	0.1799	0.1823	0.2282
2001	0.4041	0.0449 0.3592	0.1552	0.0203	0.1349	0.1723	0.1409	0.1860
2002	0.3347	0.0452 0.2894	0.1561	0.0270	0.1291	0.1797	0.1685	0.1796
2003	0.2807	0.0296 0.2511	0.1564	0.0171	0.1392	0.1845	0.1116	0.1704
2004	0.2655	0.0437 0.2218	0.1630	0.0244	0.1385	0.1870	0.1407	0.1601
2005	0.1507	0.0425 0.1082	0.0741	0.0203	0.0539	0.1903	0.2626	0.1855
2006	0.1367	0.0366 0.1001	0.0875	0.0199	0.0676	0.1894	0.2145	0.1938
2007	0.1280	0.0897 0.0382	0.1123	0.0478	0.0645	0.1894	0.4215	0.2436
Average	0.2201	0.0247 0.1954	0.096	0.0199	0.0758	0.1858	0.2410	0.2399
AGGREGATION & AVERAGE of non-Euro 30 countries								
1990	0.1723	0.0150 0.1573	0.1169	0.0301	0.0868	0.1559	0.2215	0.1072
1991	0.1702	0.0178 0.1523	0.1150	0.0262	0.0888	0.1561	0.2344	0.1297
1992	0.1750	0.0191 0.1559	0.1090	0.0295	0.0795	0.1617	0.2421	0.1463
1993	0.1180	(0.0001) 0.1182	0.0954	0.0082	0.0872	0.1330	0.1076	0.1580
1994	0.1253	(0.0021) 0.1273	0.0932	0.0047	0.0885	0.1257	0.0618	0.1682
1995	0.1522	0.0251 0.1272	0.1125	0.0251	0.0873	0.1709	0.2085	0.1747
1996	0.1460	0.0199 0.1261	0.1102	0.0174	0.0928	0.1628	0.1765	0.1804
1997	0.1490	0.0323 0.1167	0.1063	0.0316	0.0747	0.1824	0.3034	0.1867
1998	0.1072	0.0432 0.0640	0.0671	0.0423	0.0248	0.1951	0.6921	0.2012
1999	0.0845	0.0519 0.0326	0.0690	0.0467	0.0222	0.2088	0.7243	0.2076
2000	0.1718	0.0647 0.1071	0.1092	0.0715	0.0377	0.2240	0.6037	0.2161
2001	0.1673	0.0701 0.0972	0.1011	0.0668	0.0343	0.2342	0.6488	0.2251
2002	0.1592	0.0731 0.0861	0.1015	0.0665	0.0350	0.2386	0.6529	0.2313
2003	0.1520	0.0721 0.0799	0.1023	0.0707	0.0317	0.2427	0.6693	0.2372
2004	0.1748	0.0751 0.0997	0.1128	0.0748	0.0380	0.2475	0.6210	0.2401
2005	0.0930	0.0624 0.0306	0.0809	0.0583	0.0226	0.2522	0.7086	0.2469
2006	0.1079	0.0619 0.0460	0.0810	0.0588	0.0252	0.2476	0.6712	0.2551
2007	0.1060	0.0650 0.0410	0.0934	0.0559	0.0370	0.2476	0.6528	0.2601
Average	0.1407	0.0426 0.0981	0.099	0.0435	0.0553	0.1993	0.4539	0.1985

Table 9 The growth rates of population in equilibrium n_E by sector whose middle point is full employment, with the external unemployment rate (Part IV-6 in KEWT 3.09)

PART IV-6	$n \neq n_{EQUI}$	$n_{EQUI(G)}$	$n_{EQUI(PRI)}$	u.f. (EXT)	n_{EQUI-n}	$n_{EQUI(G)-n}$	$n_{EQUI(PRI)-n}$	Inf/Alt.(EXT)
E0. Thirteen Euro currency countries (including Slovenia in 2007)								
1990	0.0049	0.0049	0.0049	(0.1086)	0.0000	0.0000	0.000	(1.116)
1991	0.0015	(0.0048)	0.0030	(0.1157)	0.0000	(0.0062)	0.002	(1.075)
1992	0.0063	0.0752	(0.0122)	(0.1129)	0.0012	0.0701	(0.017)	(1.051)
1993	0.0003	0.0003	0.0003	(0.0959)	(0.0047)	(0.0047)	(0.005)	(0.885)
1994	0.0003	0.0003	0.0003	(0.1202)	(0.0027)	(0.0027)	(0.003)	(0.837)
1995	0.0128	0.0557	0.0003	(0.1148)	0.0081	0.0510	(0.004)	(0.921)
1996	0.0032	0.0100	0.0011	(0.1146)	0.0000	0.0069	(0.002)	(0.737)
1997	0.0068	0.0025	0.0080	(0.1112)	0.0043	0.0000	0.006	(0.636)
1998	0.0023	0.0165	(0.0018)	(0.1026)	0.0001	0.0142	(0.004)	(0.538)
1999	0.0027	0.0115	0.0002	(0.0925)	0.0000	0.0087	(0.003)	(0.525)
2000	0.0049	0.0700	(0.0160)	(0.0826)	0.0013	0.0664	(0.020)	(0.676)
2001	0.0053	0.0533	(0.0111)	(0.0782)	0.0008	0.0487	(0.016)	(0.670)
2002	0.0055	0.0248	(0.0013)	(0.0772)	0.0001	0.0195	(0.007)	(0.626)
2003	0.0058	0.0256	(0.0014)	(0.0782)	0.0001	0.0199	(0.007)	(0.429)
2004	0.0057	0.0355	(0.0055)	(0.0816)	0.0003	0.0302	(0.011)	(0.393)
2005	(0.0138)	0.0002	(0.0196)	(0.0793)	(0.0186)	(0.0046)	(0.024)	(0.306)
2006	0.0169	0.0039	0.0219	(0.0730)	0.0130	0.0000	0.018	(0.421)
2007	0.0288	0.0003	0.0385	(0.0678)	0.0255	(0.0030)	0.035	(0.584)
	0.0056	0.0214	0.0005	(0.0948)	0.0016	0.0175	(0.0034)	(0.6909)
Fifteen Non-Euro countries in EU area								
	$n \neq n_{EQUI}$	$n_{EQUI(G)}$	$n_{EQUI(PRI)}$	u.f. (EXT)	n_{EQUI-n}	$n_{EQUI(G)-n}$	$n_{EQUI(PRI)-n}$	Inf/Alt.(EXT)
1990	0.00024	0.00003	0.0003	(0.1086)	(0.0083)	(0.0085)	(0.008)	(5.737)
1991	0.0003	0.0003	0.0003	(0.1157)	(0.0084)	(0.0084)	(0.008)	(3.052)
1992	0.0003	0.0003	0.0003	(0.1129)	(0.0085)	(0.0085)	(0.008)	(3.746)
1993	0.0003	0.0003	0.0003	(0.0959)	(0.0085)	(0.0085)	(0.009)	(1.889)
1994	0.0061	0.0061	0.0061	(0.1202)	0.0000	0.0000	0.000	(1.868)
1995	0.0042	0.0042	0.0042	(0.1148)	0.0000	0.0000	0.000	(3.736)
1996	0.0200	0.0200	0.0200	(0.1146)	0.0176	0.0176	0.018	(3.747)
1997	0.0022	0.0022	0.0022	(0.1112)	0.0000	0.0000	0.000	(2.699)
1998	0.0019	0.0019	0.0019	(0.1026)	0.0000	0.0000	0.000	(2.234)
1999	0.0020	0.0396	(0.0068)	(0.0925)	0.0003	0.0378	(0.009)	(1.732)
2000	0.0018	0.0420	(0.0081)	(0.0826)	0.0004	0.0406	(0.010)	(1.629)
2001	0.0012	0.0012	0.0012	(0.0782)	0.0000	0.0000	0.000	(1.403)
2002	0.0125	0.0232	0.0100	(0.0772)	0.0114	0.0220	0.009	(0.888)
2003	0.0010	0.0010	0.0010	(0.0782)	0.0000	0.0000	0.000	(1.011)
2004	0.0002	0.0009	0.0000	(0.0816)	(0.0007)	0.0000	(0.001)	(1.040)
2005	0.0009	0.0009	0.0009	(0.0793)	0.0000	0.0000	0.000	(0.687)
2006	0.0011	0.0097	(0.0007)	(0.0730)	0.0000	0.0086	(0.002)	(0.817)
2007	0.0027	0.0003	0.0030	(0.0678)	0.0020	(0.0004)	0.002	(1.280)
	0.0033	0.0086	0.0020	(0.0948)	(0.0001)	0.0051	(0.0014)	(2.1775)
AGGREGATION & AVERAGE of non-Euro 30 countries								
	$n \neq n_{EQUI}$	$n_{EQUI(G)}$	$n_{EQUI(PRI)}$	u.f. (EXT)	n_{EQUI-n}	$n_{EQUI(G)-n}$	$n_{EQUI(PRI)-n}$	Inf/Alt.(EXT)
1990	0.0150	0.0150	0.0150	(0.0375)	0.0000	0.0000	0.000	(5.900)
1991	0.0183	(0.0185)	0.0261	(0.0411)	0.0003	(0.0364)	0.008	(4.725)
1992	0.0162	0.0604	0.0062	(0.0429)	0.0004	0.0447	(0.010)	(4.149)
1993	0.0327	0.0163	0.0360	(0.0430)	0.0164	0.0000	0.020	(3.906)
1994	0.0183	0.0195	0.0181	(0.0453)	(0.0011)	0.0000	(0.001)	(3.576)
1995	0.0324	0.0764	0.0231	(0.0445)	0.0092	0.0533	0.000	(3.452)
1996	0.0197	0.0118	0.0214	(0.0440)	0.0000	(0.0079)	0.002	(3.285)
1997	0.0166	0.0150	0.0170	(0.0453)	0.0017	0.0000	0.002	(2.848)
1998	(0.0048)	(0.1148)	0.0143	(0.0494)	(0.0192)	(0.1292)	0.000	(2.780)
1999	0.0141	(0.0321)	0.0217	(0.0599)	0.0004	(0.0459)	0.008	(2.045)
2000	0.0407	0.1796	0.0133	(0.0600)	0.0274	0.1663	0.000	(1.617)
2001	0.0141	0.0083	0.0152	(0.0579)	0.0000	(0.0057)	0.001	(1.664)
2002	0.0126	(0.0170)	0.0182	(0.0741)	0.0002	(0.0294)	0.006	(1.785)
2003	0.0121	0.0215	0.0103	(0.0596)	0.0000	0.0094	(0.002)	(1.466)
2004	0.0122	0.0550	0.0036	(0.0531)	0.0004	0.0431	(0.008)	(1.503)
2005	0.0101	0.0002	0.0117	(0.0489)	(0.0016)	(0.0115)	0.000	(1.748)
2006	0.0055	0.0116	0.0044	(0.0430)	(0.0061)	0.0000	(0.007)	(2.017)
2007	0.0269	0.0003	0.0313	(0.0367)	0.0038	(0.0228)	0.008	(1.682)
	0.0174	0.0171	0.0171	(0.0494)	0.0018	0.0015	0.0015	(2.7860)

Table 10 Mechanism of inflation/deflation rates: using labor and wages, ten year debt yield, and theoretical labor share of government (Part IV-7 in KEWT 3.09)

PART IV-7	Inflation rat	Inf rate/gp	$\frac{g_{WTH}}{g_{PT}} g_P = \alpha g + (1 - \alpha) g_P / g_P$	$\frac{g_{CP}}{g_P}$	Inf+Real(r* Dif of rDE)	$\frac{w_{out}}{W_{Ave}}$	LG/L
E0. Thirteen Euro currency countries (including Slovenia in 2007)							
1990	0.1212				0.1278	0.0000	0.0049
1991	0.1244	0.9954	<i>1.1937</i>	0.1249	0.4871	0.0000	0.0015
1992	0.1198	4.1111	<i>1.0690</i>	0.0291	1.8879	0.1203	0.0063
1993	0.1016	4.5119	<i>1.2214</i>	0.0225	2.1196	0.1023	0.0003
1994	0.1006	0.4511	<i>1.1537</i>	0.2231	0.2759	0.1013	0.0003
1995	0.1058	(21.1797)	<i>(2.2326)</i>	(0.0050)	(7.3875)	0.1063	0.0000
1996	0.0845	2.1984	<i>1.1535</i>	0.0384	0.7788	0.0900	0.0003
1997	0.0708	1.1919	<i>1.2344</i>	0.0594	0.3870	0.0746	0.0000
1998	0.0552	1.6811	<i>1.1836</i>	0.0329	0.6334	0.0588	0.0000
1999	0.0485	(1.0207)	<i>1.6673</i>	(0.0476)	(0.3827)	0.0519	0.0000
2000	0.0558	1.0015	<i>1.0990</i>	0.0557	0.5886	0.0604	0.0000
2001	0.0524	(0.2655)	<i>1.0308</i>	(0.1974)	(0.1828)	0.0578	0.0000
2002	0.0483	1.5538	<i>1.3480</i>	0.0311	0.9694	0.0553	0.0000
2003	0.0335	3.2524	<i>1.1792</i>	0.0103	2.4746	0.0425	0.0000
2004	0.0321	1.2527	<i>0.8178</i>	0.0256	0.8509	0.0411	0.0000
2005	0.0242	1.0975	<i>0.1085</i>	0.0221	1.0461	0.0339	0.0000
2006	0.0307	0.9715	<i>1.6969</i>	0.0316	0.7418	0.0383	0.0000
2007	0.0396	0.1838	<i>1.2453</i>	0.2154	0.1195	0.0436	0.0000
	0.0694	0.1105	0.8983	0.0373	0.3004	0.0740	0.0000
							0.0056
							0.2383
Fifteen Non-Euro countries in EU area							
1990	0.2556				0.2557	0.0000	0.0002
1991	0.1950	1.4535	<i>0.9975</i>	0.1341	1.7412	0.1957	0.0000
1992	0.1923	1.3069	<i>1.0929</i>	0.1472	1.5125	0.1930	0.0000
1993	0.1679	1.6662	<i>0.7545</i>	0.1042	1.5352	0.1689	0.0000
1994	0.1646	2.2148	<i>1.2230</i>	0.0743	2.5303	0.1805	0.0000
1995	0.3159	0.6590	<i>1.0597</i>	0.4793	0.6111	0.3247	0.0000
1996	0.3005	0.7704	<i>1.0937</i>	0.3901	0.2146	0.3339	0.0000
1997	0.2116	0.2218	<i>1.0581</i>	0.9541	0.1579	0.2178	0.0000
1998	0.1719	0.4314	<i>1.0873</i>	0.3984	0.2283	0.1784	0.0000
1999	0.1487	0.4442	<i>1.1194</i>	0.3348	0.3006	0.1554	0.0000
2000	0.1329	0.3965	<i>1.1216</i>	0.3352	0.3127	0.1381	0.0000
2001	0.1133	0.2346	<i>1.1301</i>	0.4832	0.2263	0.1166	0.0000
2002	0.0747	0.3027	<i>1.3535</i>	0.2467	0.3751	0.1025	0.0000
2003	0.0841	0.4369	<i>1.3947</i>	0.1924	0.3857	0.0859	0.0000
2004	0.0779	0.6105	<i>1.3675</i>	0.1276	0.4711	0.0793	0.0000
2005	0.0568	0.2741	<i>1.4142</i>	0.2071	0.2626	0.0586	0.0000
2006	0.0604	0.3983	<i>1.2026</i>	0.1516	0.3693	0.0621	0.0000
2007	0.0646	0.5876	<i>1.2090</i>	0.1100	0.4803	0.0650	0.0000
	0.1549	0.6561	1.0950	0.2735	0.6534	0.1618	0.0000
							0.0033
							0.1959
AGGREGATION & AVERAGE of non-Euro 30 countries							
1990	0.2215				0.2440	0.0000	0.0150
1991	0.1944	1.8282	<i>1.4274</i>	0.1063	(0.2976)	0.2212	0.0000
1992	0.1779	2.3788	<i>1.2567</i>	0.0748	1.0715	0.2034	0.0000
1993	0.1619	1.3696	<i>1.3003</i>	0.1182	1.5386	0.1887	0.0000
1994	0.1619	1.3696	<i>1.3003</i>	0.1182	1.5386	0.1887	0.0000
1995	0.1535	1.7116	<i>0.5274</i>	0.0897	2.1547	0.1857	0.0000
1996	0.1446	1.7534	<i>1.4971</i>	0.0825	0.9743	0.1708	0.0000
1997	0.1319	2.0579	<i>1.2452</i>	0.0641	0.9252	0.1530	0.0000
1998	0.1374	0.8133	<i>1.5974</i>	0.1689	0.4062	0.1583	0.0000
1999	0.1225	1.1471	<i>1.4939</i>	0.1068	0.4310	0.1404	0.0000
2000	0.0970	0.3496	<i>(0.0556)</i>	0.2773	0.1522	0.1213	0.0000
2001	0.0964	1.1773	<i>1.5028</i>	0.0818	0.5481	0.1213	0.0000
2002	0.1323	1.4409	<i>1.5502</i>	0.0918	0.5427	0.1532	0.0000
2003	0.0874	1.3847	<i>1.6079</i>	0.0631	0.8463	0.1067	0.0000
2004	0.0828	0.8788	<i>0.7418</i>	0.0942	0.5514	0.1025	0.0000
2005	0.0880	(1.0070)	<i>(0.1382)</i>	(0.0874)	(0.7178)	0.1025	0.0000
2006	0.0898	0.6242	<i>0.9663</i>	0.1439	0.2677	0.1057	0.0000
2007	0.0642	0.2581	<i>1.3097</i>	0.2487	0.0919	0.0916	0.0000
	0.1306	1.0988	1.0958	0.1016	0.5679	0.1533	0.0000
							0.0174
							0.1626

Table 11 Mechanism of the rate of return function to n : intercept/its VA and gradient/its VA by sector, with the rate of saving and (*taxes+deficit*)/ Y (Part IV-8 in KEWT 3.09)

PART IV-8 inter/spe _v in _c /spe _{vA} int _p /spe _v grad/spe _v grad _c /spe _v grad _p /spe _v				s=S/Y	s _{C,N} =S _C /Y	s _{PEL} /Y	(TAX+AD)/Y
E0. Thirteen Euro currency countries (including Slovenia in 2007)							
1990	(0.64)	(9.31)	18.71	0.0984	(0.0244)	0.1228	0.2137
1991	(0.66)	3.15	(0.20)	0.1184	(0.0230)	0.1414	0.2098
1992	(0.39)	(0.77)	(3.13)	0.0749	(0.0274)	0.1023	0.2153
1993	1.60	29.61	10.85	0.0668	(0.0628)	0.1297	0.2189
1994	8.52	(173.77)	27.34	0.0671	(0.0649)	0.1320	0.2143
1995	4.49	(1.08)	(56.47)	0.0973	(0.0335)	0.1308	0.2399
1996	(13.12)	6.47	(15.31)	0.0880	(0.0422)	0.1302	0.2239
1997	(5.09)	3.15	(7.70)	0.0982	(0.0195)	0.1177	0.2199
1998	(3.41)	(0.93)	(3.09)	0.0890	(0.0090)	0.0980	0.2195
1999	(3.10)	0.58	(2.52)	(41.30)	11.63	(30.69)	0.0653 0.0068 0.0585 0.2230
2000	(2.55)	6.04	(1.19)	(34.88)	320.00	(13.24)	0.0546 0.0113 0.0433 0.2336
2001	(1.94)	10.46	(1.22)	(29.26)	3201.63	(14.45)	0.0601 0.0097 0.0503 0.2357
2002	(2.11)	3.89	(1.64)	(37.87)	236.38	(24.65)	0.0590 0.0100 0.0489 0.2402
2003	(2.58)	4.23	(2.03)	(57.72)	220.34	(38.49)	0.0528 0.0115 0.0413 0.2447
2004	(2.66)	6.02	(2.00)	(58.99)	355.23	(36.06)	0.0427 0.0127 0.0300 0.2496
2005	(3.19)	(1.38)	(1.81)	(75.21)	(58.50)	(28.60)	0.0260 0.0090 0.0170 0.2540
2006	(2.86)	0.40	(3.52)	(68.78)	14.82	(108.08)	0.0332 0.0122 0.0210 0.2486
2007	(1.68)	(1.14)	(2.35)	(31.56)	(20.92)	(75.25)	0.0710 0.0226 0.0484 0.2492
	(1.75)	(5.67)	(3.70)	(34.41)	181.23	(75.83)	0.0702 (0.0112) 0.0813 0.2308
inter/spe _v in _c /spe _{vA} int _p /spe _v grad/spe _v grad _c /spe _v grad _p /spe _v s=S/Y s _{C,N} =S _C /Y s _{PEL} /Y (TAX+AD)/Y							
Fifteen Non-Euro countries in EU area							
1990	0.56	(2.10)	(0.47)	9.98	(56.80)	(7.59)	0.1142 0.0148 0.0994 0.2351
1991	(0.09)	(0.14)	(1.19)	(2.05)	(2.62)	(27.16)	0.0818 0.0017 0.0801 0.2361
1992	0.79	0.73	(1.74)	(16.95)	12.70	(37.79)	0.0864 (0.0121) 0.0985 0.2295
1993	(1.01)	0.99	(2.20)	(20.93)	12.56	(48.03)	0.0808 (0.0391) 0.0898 0.2365
1994	(0.89)	0.93	(2.14)	(18.29)	10.06	(51.72)	0.0748 (0.0170) 0.0918 0.2160
1995	(1.62)	0.02	(2.35)	(21.63)	0.19	(33.15)	0.0953 (0.0004) 0.0956 0.2105
1996	(0.90)	(0.08)	(1.27)	(10.79)	(0.62)	(16.75)	0.0936 0.0095 0.0841 0.2076
1997	(2.48)	(1.10)	(3.10)	(28.86)	(8.43)	(40.16)	0.0804 0.0203 0.0601 0.1873
1998	(2.92)	(1.34)	(3.62)	(35.64)	(12.18)	(47.61)	0.0653 0.0198 0.0455 0.1932
1999	(3.31)	(0.19)	(4.71)	(44.06)	(3.10)	(60.04)	0.0608 0.0127 0.0481 0.1880
2000	(3.09)	(0.18)	(4.43)	(36.91)	(2.72)	(49.89)	0.0510 0.0072 0.0438 0.1937
2001	(2.01)	(1.71)	(2.05)	(15.15)	(15.64)	(14.74)	0.1888 0.0191 0.1698 0.1804
2002	(1.21)	(0.84)	(1.31)	(9.72)	(7.21)	(10.26)	0.1893 0.0233 0.1660 0.1898
2003	(1.01)	(1.46)	(0.89)	(7.55)	(16.72)	(6.13)	0.1916 0.0186 0.1729 0.1910
2004	(0.13)	(1.04)	0.08	(0.96)	(8.97)	0.58	0.2054 0.0338 0.1716 0.1892
2005	(0.87)	(0.53)	(0.94)	(12.85)	(5.58)	(15.28)	0.0609 0.0333 0.0276 0.1890
2006	(0.55)	0.97	(0.80)	(6.87)	11.14	(10.29)	0.0679 0.0299 0.0381 0.1912
2007	0.46	(6.62)	(0.30)	4.64	(32.58)	(4.19)	0.1528 0.0819 0.0709 0.1907
	(1.22)	(0.76)	(1.86)	(15.25)	(7.03)	(26.68)	0.1062 0.0143 0.0919 0.2030
inter/spe _v in _c /spe _{vA} int _p /spe _v grad/spe _v grad _c /spe _v grad _p /spe _v s=S/Y s _{C,N} =S _C /Y s _{PEL} /Y (TAX+AD)/Y							
AGGREGATION & AVERAGE of non-Euro 30 countries							
1990	(3.02)	(2.61)	(3.42)	(33.81)	(13.81)	(42.98)	0.2358 0.0241 0.2118 0.1883
1991	(3.06)	(1.04)	(3.78)	(35.36)	(5.21)	(52.88)	0.2357 0.0290 0.2067 0.1867
1992	(3.24)	(1.89)	(3.54)	(38.80)	(14.86)	(43.75)	0.2423 0.0320 0.2103 0.1892
1993	(2.41)	0.02	(3.39)	(36.09)	0.39	(57.75)	0.2053 (0.0002) 0.2055 0.1560
1994	(2.67)	0.61	(3.08)	(40.73)	31.13	(40.75)	0.2092 (0.0035) 0.2127 0.1422
1995	(2.90)	(2.98)	(3.11)	(37.24)	(45.11)	(41.81)	0.2260 0.0416 0.1844 0.1804
1996	(2.57)	(1.62)	(2.83)	(31.61)	(17.44)	(35.09)	0.2247 0.0340 0.1907 0.1738
1997	(2.57)	(1.80)	(2.99)	(31.31)	(11.57)	(43.80)	0.2312 0.0575 0.1736 0.2020
1998	(2.64)	(0.87)	(6.46)	(47.77)	(2.30)	(403.87)	0.1949 0.0739 0.1210 0.2412
1999	(2.32)	(1.93)	(5.91)	(48.34)	(7.85)	(956.67)	0.1717 0.0873 0.0845 0.2318
2000	(3.71)	(4.33)	(6.14)	(50.47)	(34.36)	(182.33)	0.2367 0.1051 0.1316 0.2451
2001	(3.54)	(2.80)	(6.44)	(48.14)	(11.05)	(227.47)	0.2353 0.1155 0.1198 0.2570
2002	(3.19)	(2.64)	(5.87)	(42.30)	(9.87)	(220.95)	0.2309 0.1215 0.1094 0.2594
2003	(2.92)	(2.68)	(4.76)	(38.56)	(10.58)	(157.39)	0.2297 0.1242 0.1056 0.2688
2004	(3.14)	(3.01)	(4.16)	(37.09)	(13.33)	(93.31)	0.2469 0.1311 0.1159 0.2704
2005	(1.88)	(2.22)	(2.34)	(32.02)	(10.61)	(130.46)	0.2063 0.1391 0.0672 0.2664
2006	(2.15)	(2.21)	(2.55)	(34.47)	(11.30)	(90.64)	0.2177 0.1336 0.0841 0.2623
2007	(2.10)	(2.23)	(2.83)	(34.54)	(11.13)	(159.61)	0.2140 0.1376 0.0764 0.2590
	(2.78)	(2.01)	(4.09)	(38.81)	(11.05)	(165.64)	0.2219 0.0768 0.1451 0.2211

Table 12 Inflation/deflation rate by sector and the rate of change in population in equilibrium: towards endogenous Phillips Curve/line (Part IV-9 in KEWT 3.09)

PART IV-9	$r_{(DEBT)}$	$r^{*}-r^{**}(HA)$	Infla rate	$r^{*}_{G}-r^{**}_{G}(HA)$	Infla rate(G)	$r^{*}_{PER}-r^{**}_{PER}(H)$	Infla rate(G)	$\beta_{REQUIRG}-\beta$	$\beta_{REQUIRPD}-\beta$
F0. Thirteen Euro currency countries (including Slovenia in 2007)									
1990	0.1278	0.0067	0.1212	(0.0132)	0.1410	0.0100	0.1178	0.0000	0.0000
1991	0.1260	0.0017	0.1243	(0.0116)	(0.1144)	0.0050	0.1210	(0.0062)	0.0015
1992	0.1203	0.0005	0.1198	(0.1436)	0.2640	(0.0335)	0.1538	0.0701	(0.0173)
1993	0.1023	0.0006	0.1016	(0.0022)	(0.1045)	0.0012	0.1011	(0.0047)	(0.0047)
1994	0.1013	0.0006	0.1006	(0.0020)	(0.1033)	0.0013	0.1000	(0.0027)	(0.0027)
1995	0.1063	0.0005	0.1058	(0.0980)	0.2042	0.0009	0.1053	0.0510	(0.0044)
1996	0.0900	0.0055	0.0845	(0.0482)	0.1382	0.0035	0.0866	0.0069	(0.0020)
1997	0.0746	0.0039	0.0708	(0.0061)	0.0807	0.0166	0.0580	0.0000	0.0055
1998	0.0588	0.0035	0.0552	(0.0177)	(0.0765)	(0.0035)	0.0623	0.0142	(0.0041)
1999	0.0519	0.0033	0.0485	0.0070	(0.0449)	0.0002	0.0517	0.0087	(0.0026)
2000	0.0604	0.0045	0.0558	0.0465	0.0139	(0.0223)	0.0827	0.0664	(0.0196)
2001	0.0578	0.0053	0.0524	0.0495	0.0082	(0.0131)	0.0708	0.0487	(0.0156)
2002	0.0553	0.0070	0.0483	0.0317	(0.0236)	(0.0017)	0.0570	0.0195	(0.0067)
2003	0.0425	0.0090	0.0335	0.0328	0.0097	(0.0022)	0.0448	0.0199	(0.0070)
2004	0.0411	0.0090	0.0321	0.0416	(0.0005)	(0.0097)	0.0508	0.0302	(0.0109)
2005	0.0339	0.0097	0.0242	0.0004	0.0336	(0.0452)	0.0792	(0.0046)	(0.0244)
2006	0.0383	0.0076	0.0307	0.0072	0.0311	0.0371	0.0012	0.0000	0.0179
2007	0.0436	0.0040	0.0396	0.0006	0.0430	0.0346	0.0090	(0.0030)	0.0351
	0.0740	0.0046	0.0694	(0.0057)	0.0278	(0.0012)	0.0752	0.0175	(0.0034)
D/Y									
Finrent Non-Euro countries in EU area									
1990	0.2557	0.0001	0.2556	0.0000	0.2556	0.0005	0.2551	(0.0085)	(0.0082)
1991	0.1957	0.0007	0.1950	0.0000	0.1957	0.0010	0.1947	(0.0084)	(0.0084)
1992	0.1920	0.0007	0.1922	(0.0003)	(0.1933)	0.0010	0.1919	(0.0085)	(0.0085)
1993	0.1684	0.0009	0.1675	(0.0009)	(0.1693)	0.0018	0.1666	(0.0085)	(0.0085)
1994	0.1805	0.0159	0.1646	(0.0060)	(0.1865)	0.0305	0.1500	0.0000	0.0000
1995	0.3247	0.0088	0.3159	(0.0001)	(0.3248)	0.0128	0.3119	0.0000	0.0000
1996	0.3339	0.0334	0.3005	0.0096	0.3243	0.0446	0.2893	0.0176	0.0176
1997	0.2178	0.0063	0.2116	0.0032	0.2146	0.0077	0.2101	0.0000	0.0000
1998	0.1784	0.0065	0.1719	0.0033	0.1751	0.0080	0.1704	0.0000	0.0000
1999	0.1554	0.0067	0.1487	0.0533	0.1021	(0.0335)	(0.1889)	0.0378	(0.0085)
2000	0.1381	0.0052	0.1329	0.0317	0.1065	(0.0385)	(0.1766)	0.0406	(0.0096)
2001	0.1166	0.0033	0.1133	0.0026	0.1140	0.0034	0.1132	0.0000	0.0000
2002	0.1025	0.0278	0.0747	0.0388	0.0637	0.0224	0.0801	0.0220	0.0089
2003	0.0859	0.0018	0.0841	0.0019	0.0840	0.0018	0.0841	0.0000	0.0000
2004	0.0793	0.0014	0.0779	0.0019	0.0775	0.0000	0.0793	0.0000	(0.0009)
2005	0.0586	0.0018	0.0568	0.0019	0.0567	0.0018	0.0568	0.0000	0.0000
2006	0.0621	0.0018	0.0604	0.0174	0.0447	(0.0011)	(0.0632)	0.0086	(0.0019)
2007	0.0650	0.0003	0.0646	0.0004	0.0645	0.0019	0.0631	(0.0004)	0.0023
	0.1618	0.0069	0.1549	0.0088	0.0558	0.0037	0.1104	0.0051	(0.0014)
D/Y									
AGGREGATION & AVERAGE of non-Euro 30 countries									
1990	0.2440	0.0225	0.2215	0.0108	0.2332	0.0257	0.2183	0.0000	0.0000
1991	0.2212	0.0267	0.1944	(0.0151)	(0.2363)	0.0434	0.1777	(0.0364)	0.0081
1992	0.2034	0.0255	0.1779	0.0433	0.1601	0.0120	0.1914	0.0447	(0.0095)
1993	0.1896	0.0216	0.1679	(0.0002)	(0.1898)	0.0502	0.1394	0.0000	0.0197
1994	0.1887	0.0268	0.1619	(0.0064)	(0.1951)	0.0274	0.1614	0.0000	(0.0014)
1995	0.1857	0.0322	0.1535	0.0746	0.1111	0.0339	0.1518	0.0533	0.0000
1996	0.1708	0.0262	0.1446	0.0122	0.1586	0.0297	0.1411	(0.0079)	0.0017
1997	0.1530	0.0211	0.1319	0.0149	0.1381	0.0267	0.1264	0.0000	0.0020
1998	0.1583	0.0209	0.1374	(0.1137)	(0.2720)	0.0373	0.1210	(0.1292)	0.0000
1999	0.1404	0.0179	0.1225	(0.0359)	(0.1763)	0.0318	0.1086	(0.0459)	0.0080
2000	0.1213	0.0244	0.0970	0.1684	(0.0470)	0.0373	0.0840	0.1663	0.0000
2001	0.1213	0.0249	0.0964	0.0091	0.1122	0.0426	0.0787	(0.0057)	0.0011
2002	0.1532	0.0209	0.1323	(0.0193)	(0.1724)	0.0444	0.1088	(0.0294)	0.0058
2003	0.1067	0.0193	0.0874	0.0224	0.0843	0.0259	0.0808	0.0094	(0.0018)
2004	0.1025	0.0197	0.0828	0.0569	0.0456	0.0094	0.0931	0.0431	(0.0083)
2005	0.1025	0.0145	0.0880	0.0002	0.1023	0.0158	0.0868	(0.0115)	0.0000
2006	0.1057	0.0159	0.0898	0.0125	0.0932	0.0082	0.0975	0.0000	(0.0072)
2007	0.0916	0.0274	0.0642	0.0003	0.0913	0.0347	0.0569	(0.0228)	0.0082
	0.1533	0.0227	0.1306	0.0131	0.0023	0.0298	0.1235	0.0015	0.0015

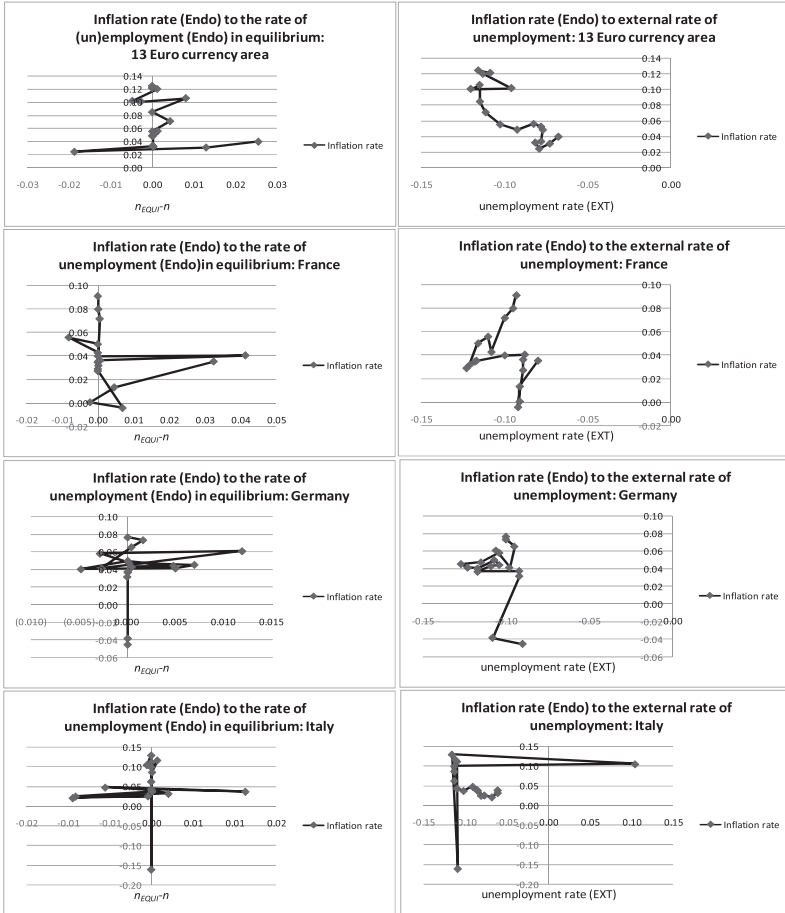
Table 13 Theoretical wages and labor by sector with the rate of change in population in equilibrium by sector (Part IV-10 in KEWT 3.09)

PART IV-10 S	W _G	W _{PR1}	L	L _G	L _{PR1}	n	PEQU1	PEQU(G)	PEQU(PR1)	PEQU(WA)	
E0. Thirteen Euro currency countries (including Slovenia in 2007)											
1990	6741	1341	5400	26.71	5.31	21.40	0.0049	0.0049	0.0049	0.0049	
1991	7757	1533	6224	26.75	5.29	21.46	0.0015	0.0015 (0.0048)	0.0030	0.0015	
1992	8040	1700	6340	26.88	5.68	21.20	0.0051	0.0003 0.0752 (0.0122)	0.0063	0.0063	
1993	8303	1833	6470	27.02	5.96	21.06	0.0050	0.0003 0.0003 0.0003	0.0003	0.0003	
1994	8931	1917	7014	23.12	4.96	18.15	0.0030	0.0003 0.0003 0.0003	0.0003	0.0003	
1995	9073	2047	7027	23.22	5.24	17.99	0.0047	0.0003 0.0557 0.0003	0.0003	0.0128	
1996	9505	2159	7346	23.30	5.29	18.01	0.0032	0.0032 0.0100 0.0011	0.0032	0.0032	
1997	10227	2279	7948	23.36	5.20	18.15	0.0025	0.0025 0.0025 0.0080	0.0068	0.0068	
1998	10649	2407	8242	23.41	5.29	18.12	0.0023	0.0023 0.0165 (0.0018)	0.0023	0.0023	
1999	9831	2241	7590	23.47	5.35	18.12	0.0027	0.0027 0.0115 0.0002	0.0027	0.0027	
2000	10471	2545	7926	23.56	5.73	17.83	0.0036	0.0036 0.0036 (0.0160)	0.0036	(0.0112)	
2001	8379	2125	6243	23.66	6.03	17.76	0.0046	0.0046 0.0046 (0.0113)	0.0046	(0.0071)	
2002	8777	2280	6496	23.79	6.18	17.61	0.0054	0.0054 0.0248 (0.0013)	0.0055	0.0055	
2003	8933	2367	6566	23.93	6.34	17.59	0.0056	0.0056 0.0256 (0.0014)	0.0058	0.0058	
2004	9169	2502	6667	24.05	6.56	17.49	0.0054	0.0054 0.0355 (0.0055)	0.0057	0.0057	
2005	9235	2683	6552	24.17	7.02	17.15	0.0048	0.0048 0.0002 (0.0196)	0.0048	(0.0138)	
2006	9769	2715	7055	24.26	6.74	17.52	0.0039	0.0039 0.0039 0.0219	0.0169	0.0169	
2007	12431	3149	6491	24.35	6.15	19.20	0.0033	0.0033 0.0003 0.0385	0.0288	0.0288	
	9235	2212	7022	24.39	5.7967	18.59	0.0040	0.0030	0.0150	0.0005	0.0040
Fifteen Non-Euro countries in EU area											
1990	572	137	435	20.75	4.96	15.79	0.0085	0.0000	0.0000	0.0003	0.0002
1991	654	154	499	20.93	4.94	15.98	0.0087	0.0003 0.0003 0.0003	0.0003	0.0003	
1992	766	175	590	21.11	4.84	16.28	0.0088	0.0003 0.0003 0.0003	0.0003	0.0003	
1993	868	210	658	21.30	5.15	16.15	0.0088	0.0003 0.0003 0.0003	0.0003	0.0003	
1994	1162	240	921	26.13	5.40	20.73	0.0061	0.0061 0.0061 0.0061	0.0061	0.0061	
1995	1759	348	1411	26.24	5.19	21.06	0.0042	0.0042 0.0042 0.0042	0.0042	0.0042	
1996	2515	465	2050	26.31	4.87	21.44	0.0024	0.0200 0.0200 0.0200	0.0200	0.0200	
1997	5066	862	4204	26.36	4.49	21.88	0.0022	0.0022 0.0022 0.0022	0.0022	0.0022	
1998	7274	1336	5937	26.41	4.85	21.56	0.0019	0.0019 0.0019 0.0019	0.0019	0.0019	
1999	10017	1910	8107	26.46	5.05	21.41	0.0017	0.0017 0.0396 (0.0068)	0.0020	0.0020	
2000	13803	2738	11065	26.50	5.26	21.24	0.0014	0.0014 0.0420 (0.0081)	0.0018	0.0018	
2001	21367	3952	17415	26.53	4.91	21.62	0.0012	0.0012 0.0012 0.0012	0.0012	0.0012	
2002	28535	5394	23141	26.56	5.02	21.54	0.0011	0.0130 0.0232 0.0100	0.0100	0.0125	
2003	36228	7297	28932	26.59	5.36	21.23	0.0010	0.0010 0.0010 0.0010	0.0010	0.0010	
2004	42588	8210	34379	26.61	5.13	21.48	0.0009	0.0009 0.0009 0.0000	0.0000	0.0002	
2005	55113	9811	45302	26.63	4.74	21.89	0.0009	0.0009 0.0009 0.0009	0.0009	0.0009	
2006	65235	11712	53522	26.67	4.79	21.88	0.0011	0.0011 0.0097 (0.0070)	0.0011	0.0011	
2007	73961	9000	64961	26.68	3.25	23.44	0.0007	0.0003 0.0003 0.0030	0.0027	0.0027	
	20416	3553	16863	25.27	4.8981	20.37	0.0034	0.0032	0.0086	0.0020	0.0033
AGGREGATION & AVERAGE of non-Euro 30 countries											
1990	21943	4000	17943	119.86	21.85	98.01	0.0150	0.0150	0.0150	0.0150	
1991	25728	4521	21206	122.01	21.44	100.57	0.0180	0.0180 (0.0185)	0.0261	0.0183	
1992	28590	5246	23344	123.93	22.74	101.19	0.0158	0.0158 0.0604 0.0062	0.0062	0.0162	
1993	35304	5919	29386	125.95	21.12	104.84	0.0163	0.0163 0.0163 0.0360	0.0360	0.0327	
1994	40581	6666	33916	127.71	20.98	106.73	0.0195	0.0195 0.0195 0.0181	0.0181	0.0324	
1995	43435	7514	35920	130.52	22.58	107.94	0.0231	0.0231 0.0764 0.0231	0.0231	0.0383	
1996	49761	8542	41219	133.09	22.85	110.24	0.0197	0.0197 0.0118 0.0214	0.0197	0.0197	
1997	54538	9272	45266	135.08	22.96	112.12	0.0150	0.0150 0.0150 0.0170	0.0170	0.0166	
1998	70244	10421	59823	137.02	20.33	116.69	0.0143	0.0143 (0.1148) 0.0143	0.0143	(0.0048)	
1999	82569	11695	70874	138.90	19.67	119.23	0.0137	0.0137 (0.0321) 0.0217	0.0217	0.0141	
2000	82374	13583	68792	140.75	23.21	117.54	0.0133	0.0133 0.0133 0.0133	0.0133	0.0133	
2001	93809	15380	78429	144.73	23.40	119.33	0.0141	0.0141 0.0083 0.0152	0.0152	0.0141	
2002	108496	17271	91225	142.51	23.00	121.50	0.0125	0.0125 (0.0170) 0.0182	0.0182	0.0126	
2003	120951	19432	101519	146.26	23.50	122.76	0.0121	0.0121 0.0215 0.0103	0.0103	0.0121	
2004	130942	21934	109008	147.99	24.79	123.20	0.0119	0.0119 0.0550 0.0036	0.0036	0.0122	
2005	134076	19117	114960	149.73	21.35	128.38	0.0117	0.0117 0.0002 0.0117	0.0117	0.0101	
2006	154489	22966	131523	151.46	22.52	128.95	0.0116	0.0116 0.0116 0.0044	0.0055	0.0055	
2007	209546	29725	179821	154.97	21.98	132.98	0.0231	0.0231 0.0003 0.0313	0.0313	0.0269	
	82632	12956	69676	137.36	22.2366	115.12	0.0156	0.0156	0.0079	0.0171	0.0158

Table 14 Theoretical wage rates and the rate of change in population in equilibrium by sector (Part IV-11 in KEWT 3.09)

PART IV-11.5 W	W _G	W _{PR1}	n=ΣL	D _G =ΣL(G)	D _{PR1} =ΣL(PR1)	D _{EQU1} =D	D _{EQU(G)} =D _G	D _{EQU(PR1)} =D _{PR1}	D _{EQU(WA)} =D
EU. Thirteen Euro currency countries (including Slovenia in 2007)									
1990	252	252	252	0.0150					
1991	290	290	290	0.0015 (0.0048)	0.0030	0.0000	0.0000	0.0000	0.0000
1992	299	299	299	0.0051 0.0752 (0.0122)	(0.0048)	0.0000	0.0000	0.0000	0.0012
1993	307	307	307	0.0050 0.0491 (0.0068)	(0.0047)	0.0000	0.0000	0.0071	(0.0047)
1994	386	386	386	(0.1445) (0.1679) (0.1378)	0.1448	0.1682	0.1381		(0.0027)
1995	391	391	391	0.0047 0.0557 (0.0092)	(0.0044)	0.0000	0.0000	0.0000	0.0081
1996	408	408	408	0.0032 0.0100 0.0011	0.0000	0.0000	0.0000	0.0000	0.0000
1997	438	438	438	0.0025 (0.0163) 0.0080	0.0000	0.0188	0.0000	0.0000	0.0043
1998	455	455	455	0.0023 0.0165 (0.0018)	0.0000	0.0000	0.0000	0.0000	0.0001
1999	419	419	419	0.0027 0.0115 0.0002	0.0000	0.0000	0.0000	0.0000	0.0000
2000	444	444	444	0.0036 0.0700 (0.0160)	0.0000	(0.0664)	0.0000		(0.0148)
2001	354	354	354	0.0046 0.0533 (0.0111)	0.0000	(0.0487)	0.0000		(0.0117)
2002	369	369	369	0.0054 0.0248 (0.0013)	0.0000	0.0000	0.0000	0.0000	0.0001
2003	373	373	373	0.0056 0.0256 (0.0014)	0.0000	0.0000	0.0000	0.0000	0.0001
2004	381	381	381	0.0054 0.0355 (0.0055)	0.0000	0.0000	0.0000	0.0000	0.0003
2005	382	382	382	0.0048 0.0698 (0.0196)	0.0000	(0.0696)	0.0000		(0.0186)
2006	403	403	403	0.0039 (0.0398) 0.0219	0.0000	0.0438	0.0000	0.0000	0.0130
2007	511	511	511	0.0033 (0.0880) 0.0385	0.0000	0.0883	0.0000	0.0000	0.0255
0.0000	381.27	381.27	381.27	(0.0037) 0.0100 (0.0083)	0.0073	0.0048	0.0086	0.0000	0.0000
Fifteen Non-Euro countries in EU area									
1990	28	28	28	0.0150					
1991	31	31	31	0.0087 (0.0025) 0.0122	(0.0084)	0.0028	(0.0119)		(0.0084)
1992	36	36	36	0.0088 (0.0219) 0.0183	(0.0085)	0.0222	(0.0180)		(0.0085)
1993	41	41	41	0.0088 0.0646 (0.0078)	(0.0085)	(0.0643)	0.0081		(0.0085)
1994	44	44	44	0.2271 0.0497 0.2836	(0.2210)	(0.0436)	(0.2775)		0.0000
1995	67	67	67	0.0042 (0.0404) 0.0158	(0.0000)	0.0446	(0.0116)		0.0000
1996	96	96	96	0.0024 (0.0617) 0.0182	0.0176	0.0817	0.0018		0.0176
1997	192	192	192	0.0022 (0.0781) 0.0204	0.0000	(0.0803)	(0.0182)		0.0000
1998	275	275	275	0.0019 0.0820 (0.0145)	0.0000	(0.0801)	0.0164		0.0000
1999	379	379	379	0.0017 0.0396 (0.0068)	0.0000	0.0000	0.0000	0.0003	
2000	521	521	521	0.0014 0.0420 (0.0081)	0.0000	0.0000	0.0000	0.0004	
2001	805	805	805	0.0012 (0.0665) 0.0180	0.0000	0.0677	(0.0168)		0.0000
2002	1074	1074	1074	0.0011 0.0232 (0.0039)	0.0119	0.0000	0.0139		0.0114
2003	1363	1363	1363	0.0010 0.0665 (0.0143)	0.0000	(0.0655)	0.0153		0.0000
2004	1600	1600	1600	0.0009 (0.0421) 0.0117	0.0000	0.0429	(0.0117)		(0.0007)
2005	2069	2069	2069	0.0009 (0.0757) 0.0192	0.0000	0.0766	(0.0183)		0.0000
2006	2446	2446	2446	0.0011 0.0097 (0.0007)	0.0000	0.0000	0.0000	0.0000	0.0000
2007	2772	2772	2772	0.0007 (0.3218) 0.0712	(0.0004)	0.3221	(0.0682)		0.0020
0.0000	768.90	768.90	768.90	0.0161 (0.0185) 0.0240	(0.0121)	0.0271	(0.0220)		0.0003
AGGREGATION & AVERAGE of non-Euro 30 countries									
1990	183	183	183	0.0150					
1991	211	211	211	0.0180 (0.0185) 0.0261	0.0000	0.0000	0.0000	0.0003	
1992	231	231	231	0.0158 0.0604 0.0062	0.0000	0.0000	0.0000	0.0004	
1993	280	280	280	0.0163 (0.0714) 0.0360	0.0000	0.0877	0.0000	0.0164	
1994	318	318	318	0.0140 (0.0065) 0.0181	0.0055	0.0260	0.0000	(0.0011)	
1995	333	333	333	0.0220 0.0764 0.0113	0.0012	0.0000	0.0119	0.0092	
1996	374	374	374	0.0197 0.0118 0.0214	0.0000	0.0000	0.0000	0.0000	
1997	404	404	404	0.0150 0.0052 0.0170	0.0000	0.0098	0.0000	0.0017	
1998	513	513	513	0.0143 (0.1148) 0.0408	0.0000	0.0000	(0.0265)		(0.0192)
1999	594	594	594	0.0137 (0.0521) 0.0217	0.0000	0.0000	0.0000	0.0004	
2000	585	585	585	0.0133 0.1796 (0.0142)	0.0000	(0.1663)	0.0274		0.0000
2001	657	657	657	0.0141 0.0083 0.0152	0.0000	0.0000	0.0000	0.0000	
2002	751	751	751	0.0125 (0.0170) 0.0182	0.0000	0.0000	0.0000	0.0000	0.0002
2003	827	827	827	0.0121 0.0215 0.0103	0.0000	0.0000	0.0000	0.0000	
2004	885	885	885	0.0119 0.0550 0.0036	0.0000	0.0000	0.0000	0.0000	0.0004
2005	895	895	895	0.0117 (0.1388) 0.0420	0.0000	0.1390	(0.0303)		(0.0165)
2006	1020	1020	1020	0.0116 0.0547 0.0044	0.0000	(0.0431)	0.0000		(0.0061)
2007	1352	1352	1352	0.0231 (0.0237) 0.0313	0.0000	0.0240	0.0000	0.0038	
0.0000	578.50	578.50	578.50	0.0152 0.0028 0.0172	0.0004	0.0043	(0.0010)		0.0003

Endogenous Phillips (1)



Data source: KEWT 3.09 of fifty-eight countries by sector, 1990–2007, whose ten original data come from *International Financial Statistics Yearbook*, IMF. (hereafter, abbreviated)

Figure A1 Endogenous Phillips line that uses the inflation/deflation rate and the rates of employment, compared with the external rate of unemployment (1)

Endogenous Phillips (2)

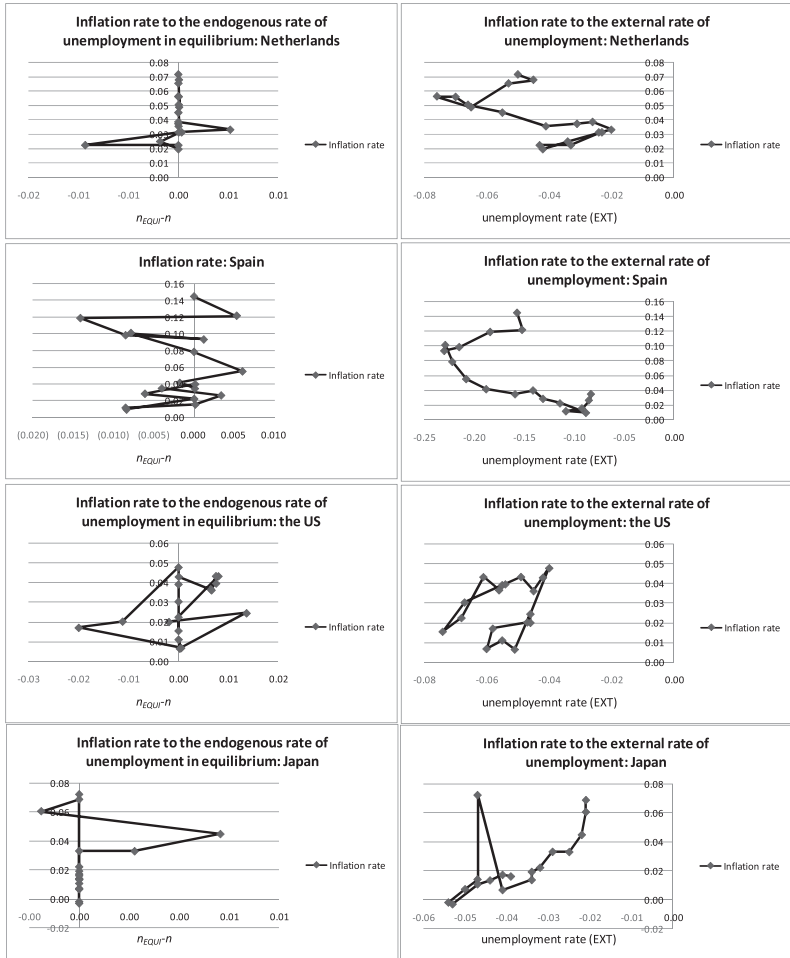


Figure A2 Endogenous Phillips line that uses the inflation/deflation rate and the rates of employment, compared with the external rate of unemployment (2)

Endogenous Phillips (3)

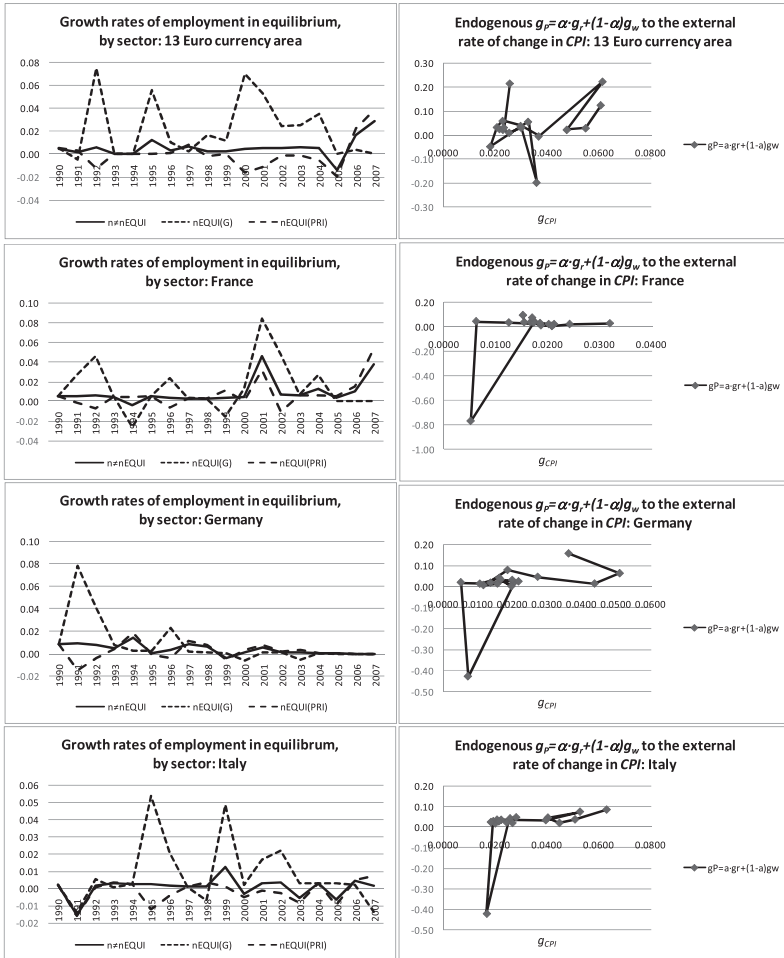


Figure A3 Growth rate of (rate of change in) employment in equilibrium and endogenous vs. external in inflation rate (1)

Endogenous Phillips (4)

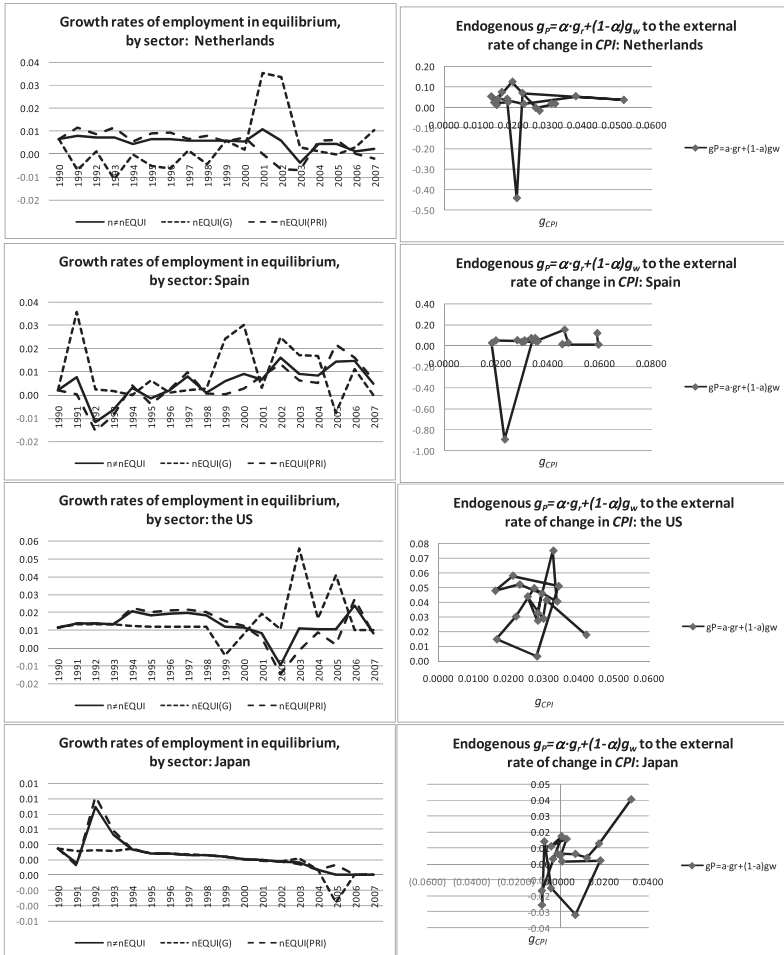


Figure A4 Growth rate of (rate of change in) employment in equilibrium and endogenous vs. external in inflation rate (2)

Endogenous Phillips (5)

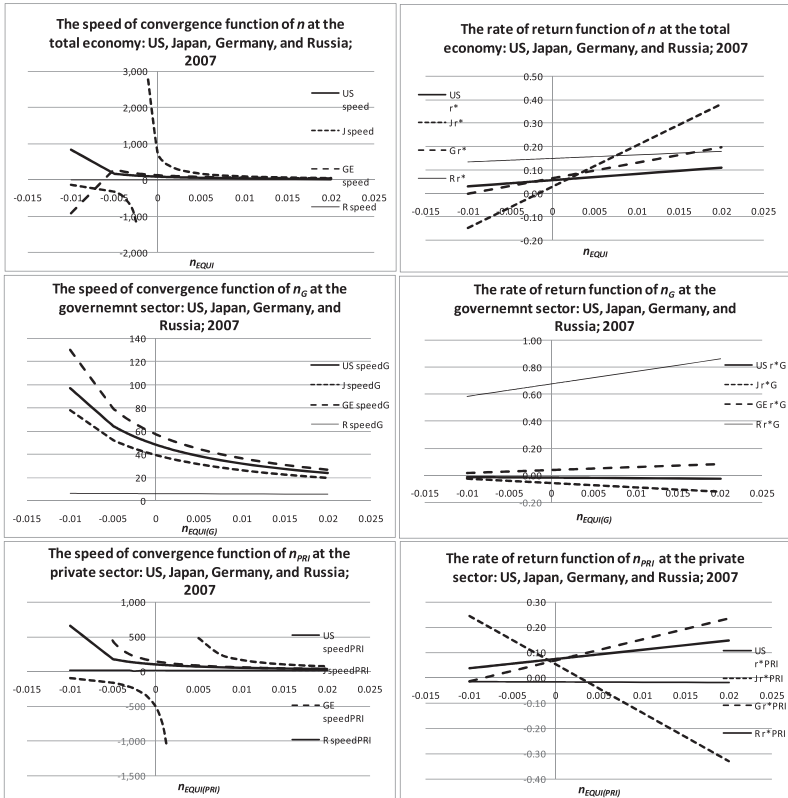


Figure A5 Two basic functions of the rate of change in population/employees by sector: the US, Japan, Germany, and Russia 2007 (1)

Endogenous Phillips (6)

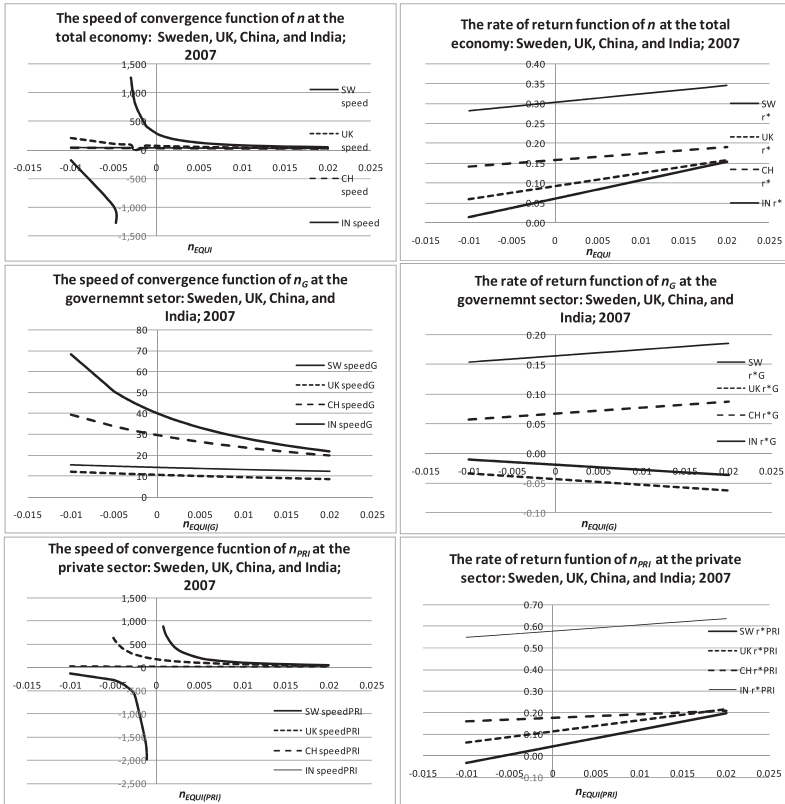


Figure A6 Two basic functions of the rate of change in population/employees by sector: Sweden, UK, China, and India 2007 (2)

Endogenous Phillips (7)

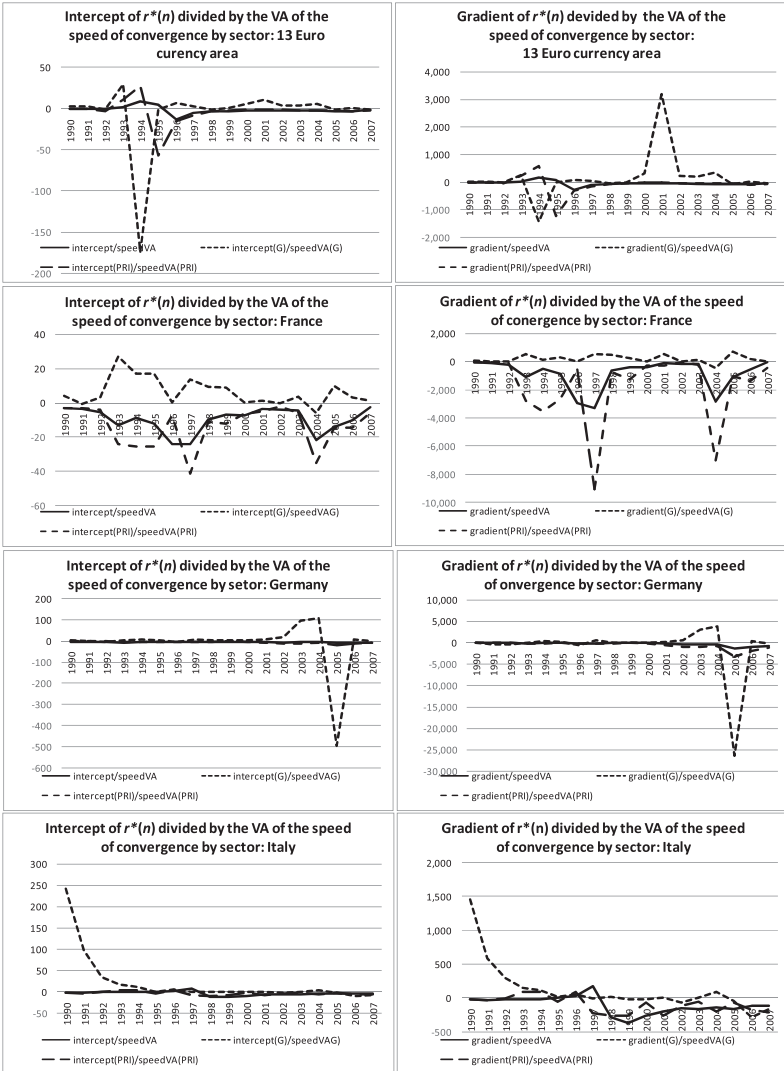


Figure A7 Function of $r^*(n)$ that measures the relationship between the unemployment rate and inflation rate (1)

Endogenous Phillips (8)

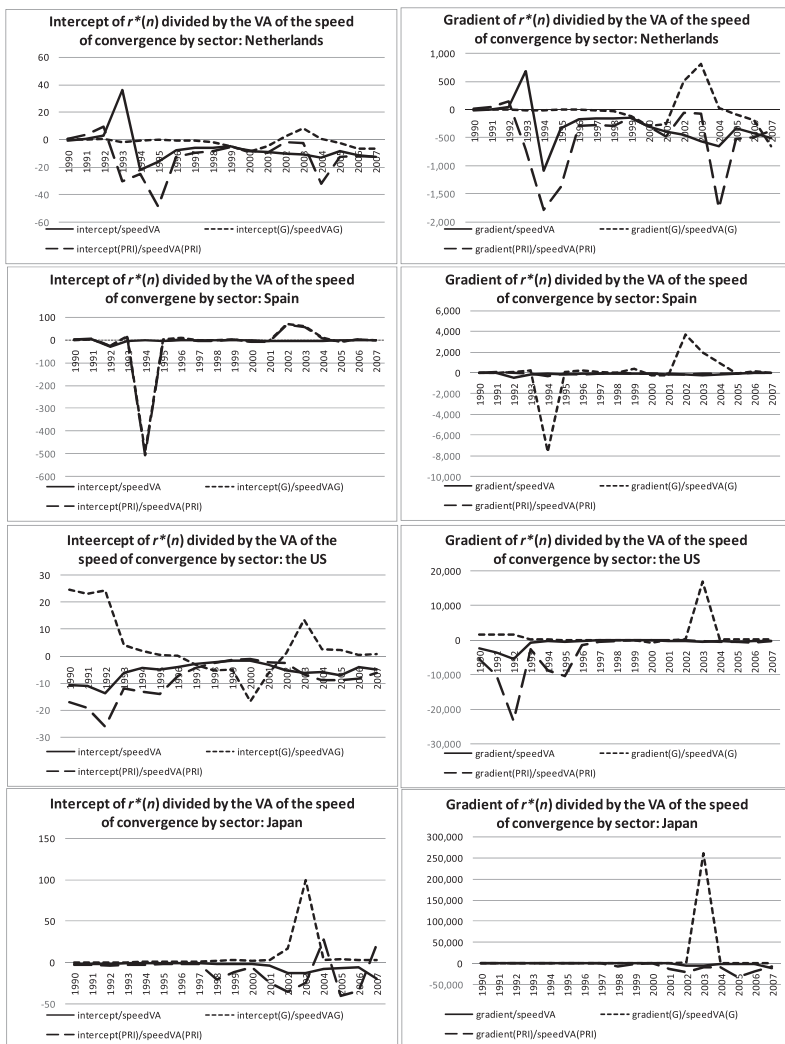
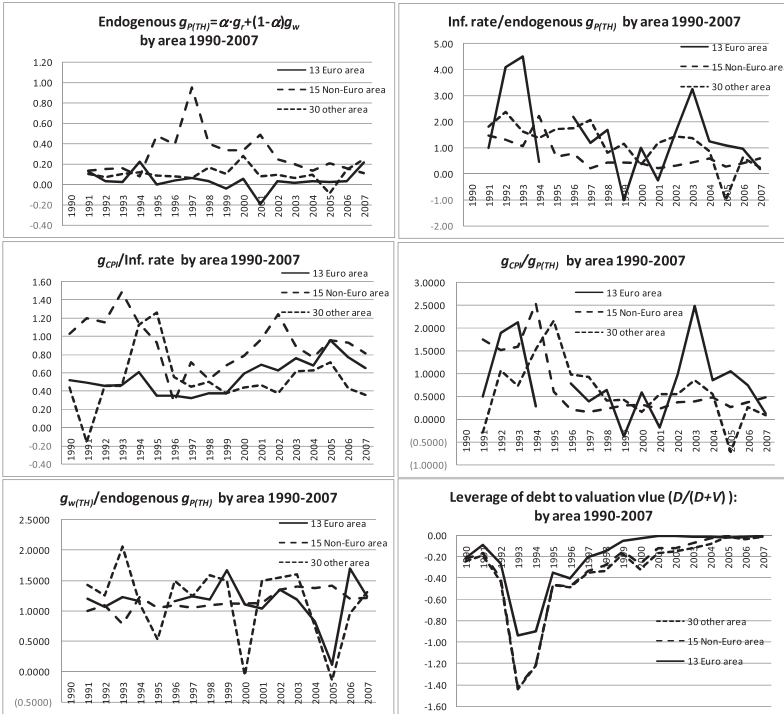


Figure A8 Function of $r^*(n)$ that measures the relationship between the unemployment rate and inflation rate (2)

Endogenous Inflation (1)



Note: For external inflation rate, the rate of change in consumers' price index, g_{CPI} , was taken. For endogenous inflation rates, one is the weighted average of the theoretical wage rate and the rate of return, $g_P = \alpha \cdot g_r + (1 - \alpha)g_w$, and the other is 10 year debt yield less the real rate of return at convergence, $Inf. rate = r_{DEBT} - (r^* - r_{HA})$.

Figure A9 Comparisons of various inflation rates, endogenous and external, by area 1990–2007

Endogenous Inflation (2)

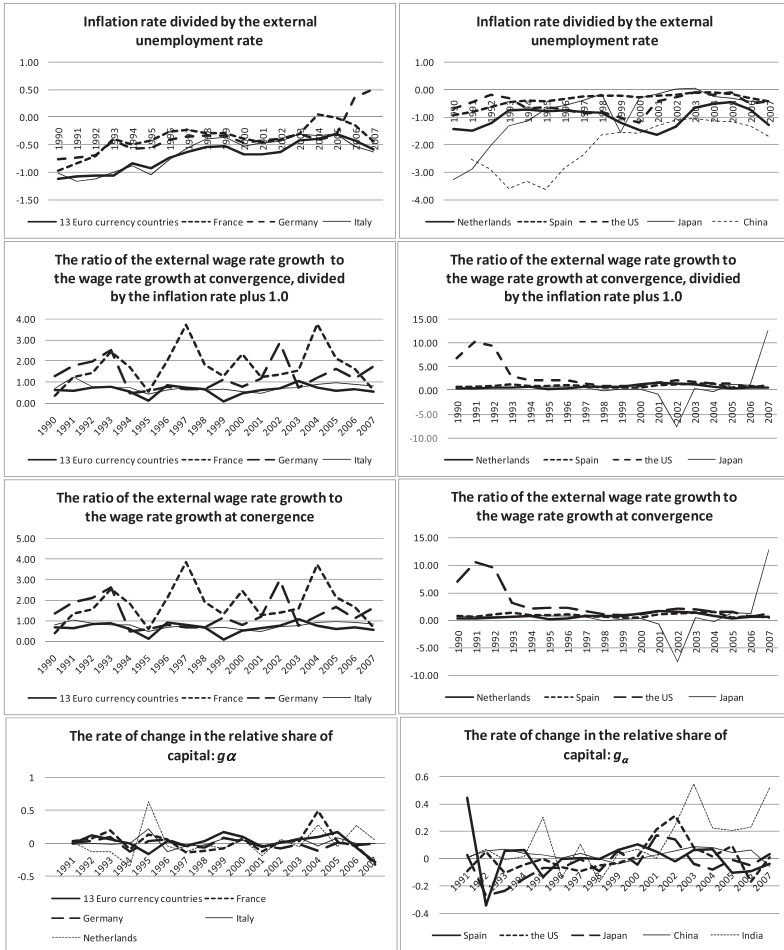


Figure A10 Rate of change in the relative share of capital by country

Endogenous Inflation (3)

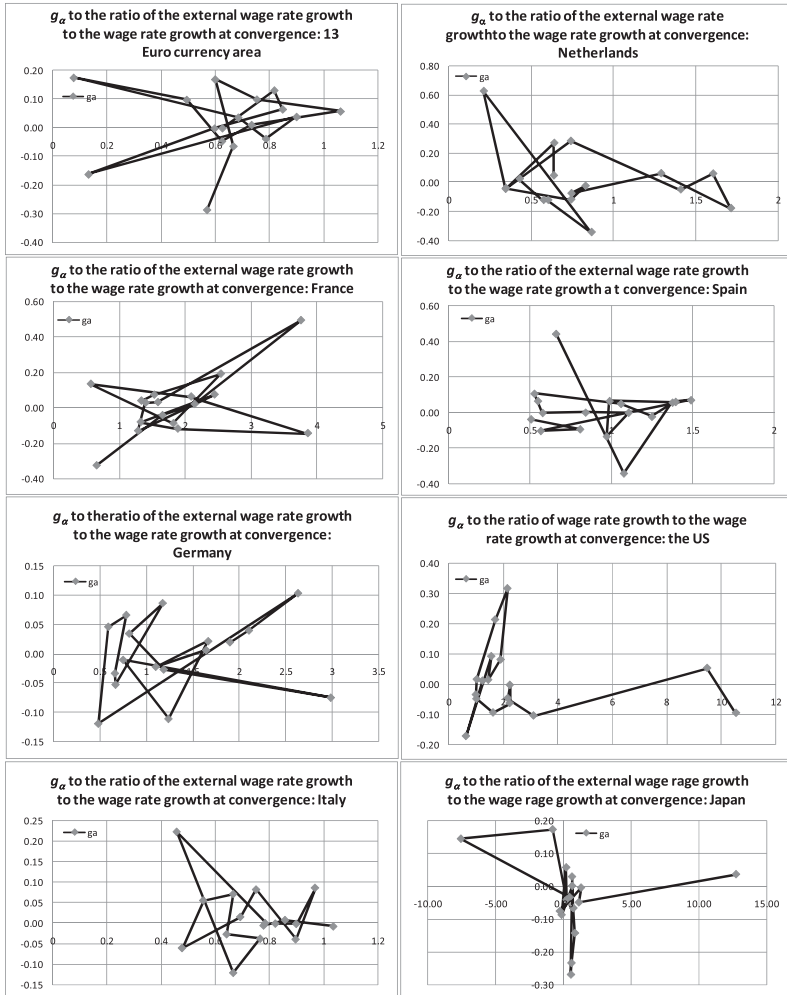


Figure A11 Rate of change in the relative share of capital versus the wage growth ratio of external to endogenous

Rates of Change in Employment in Equilibrium (1)

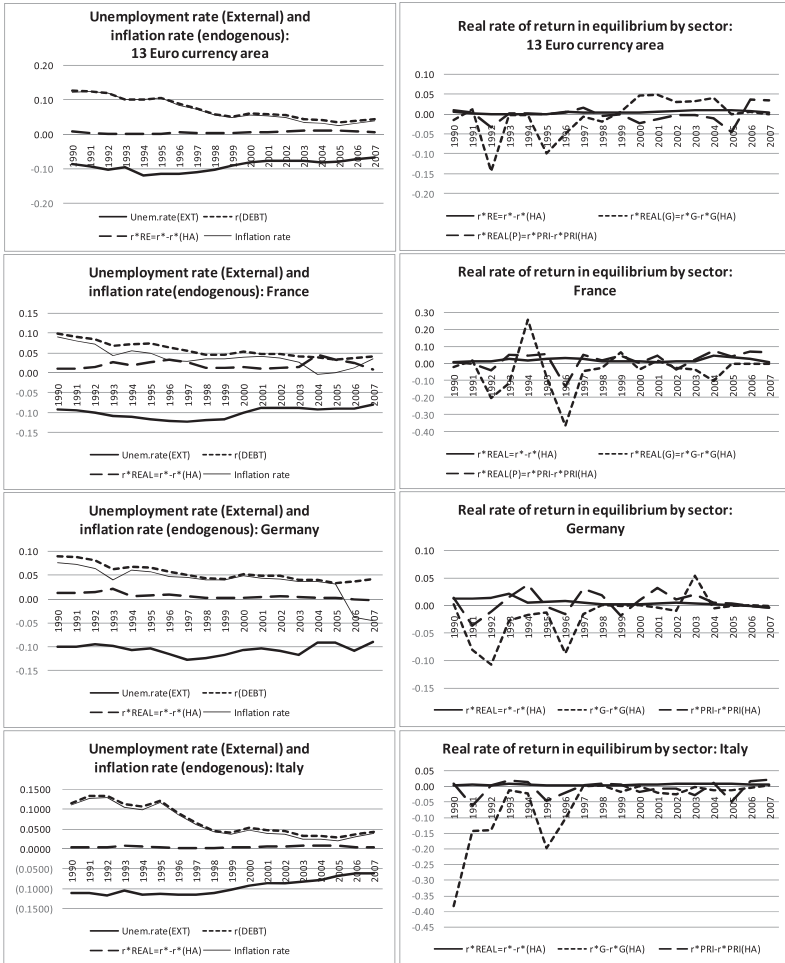


Figure A12 External unemployment rate and the inflation rate as 10 year debt yield less the real rate of return or the real rate of return by sector (1)

Rates of Change in Employment in Equilibrium (2)

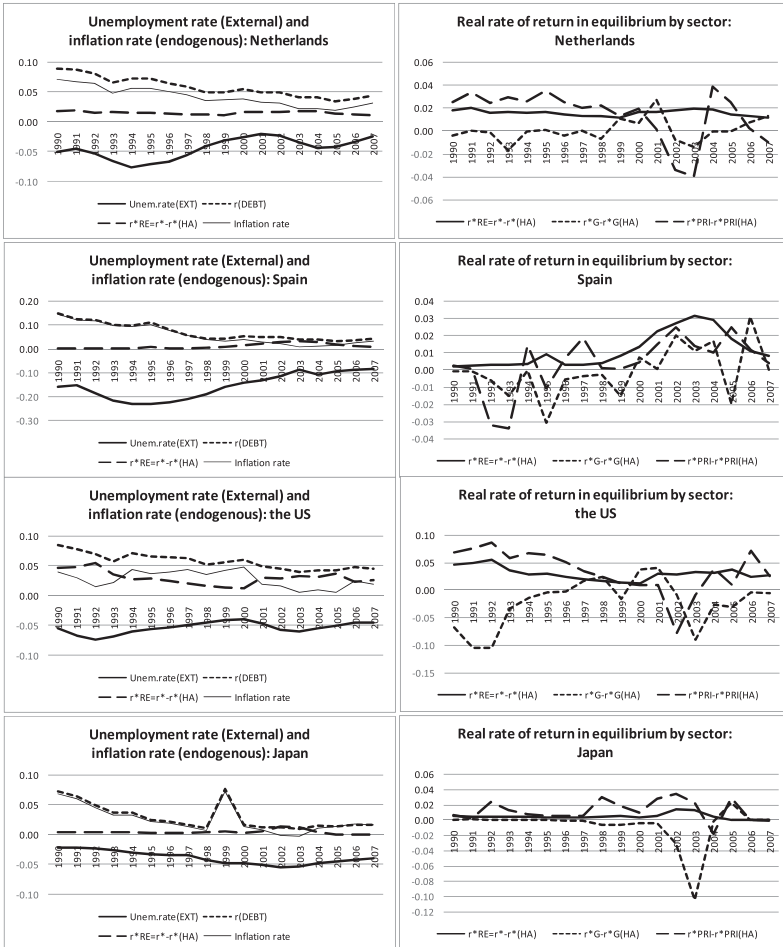


Figure A13 External unemployment rate and the inflation rate as 10 year debt yield less the real rate of return or the real rate of return by sector (2)

Rates of Change in Employment in Equilibrium (3)

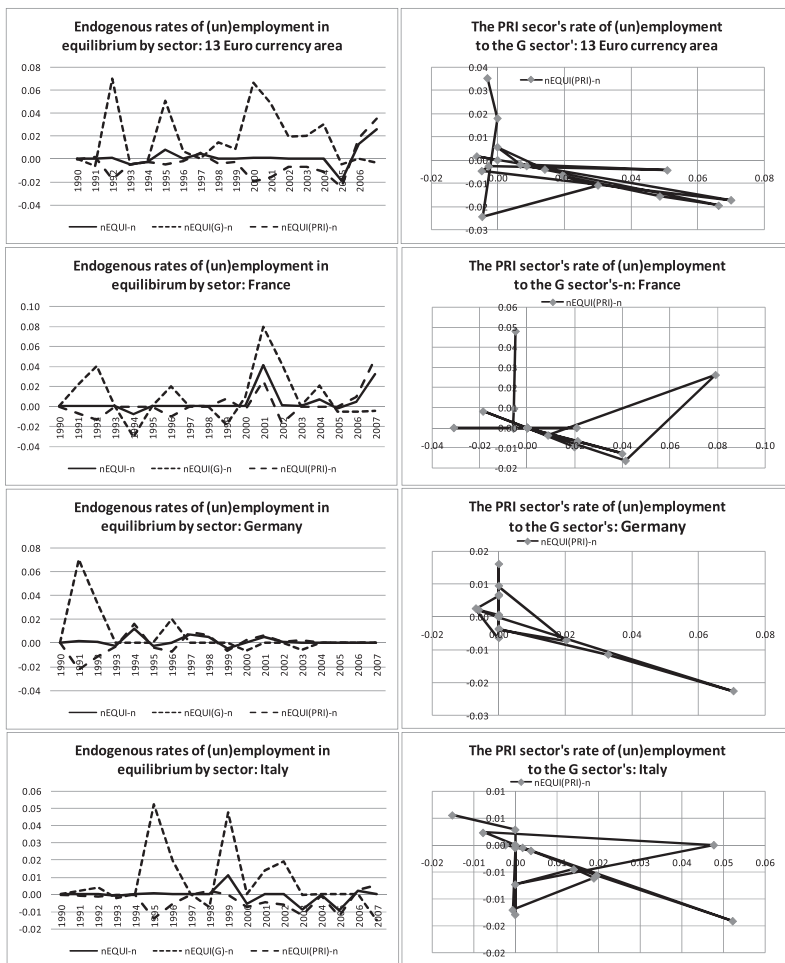


Figure A14 Endogenous rates of (un)employment in equilibrium by sector, comparing those of government sector with those of the private sector (1)

Rates of Change in Employment in Equilibrium (4)

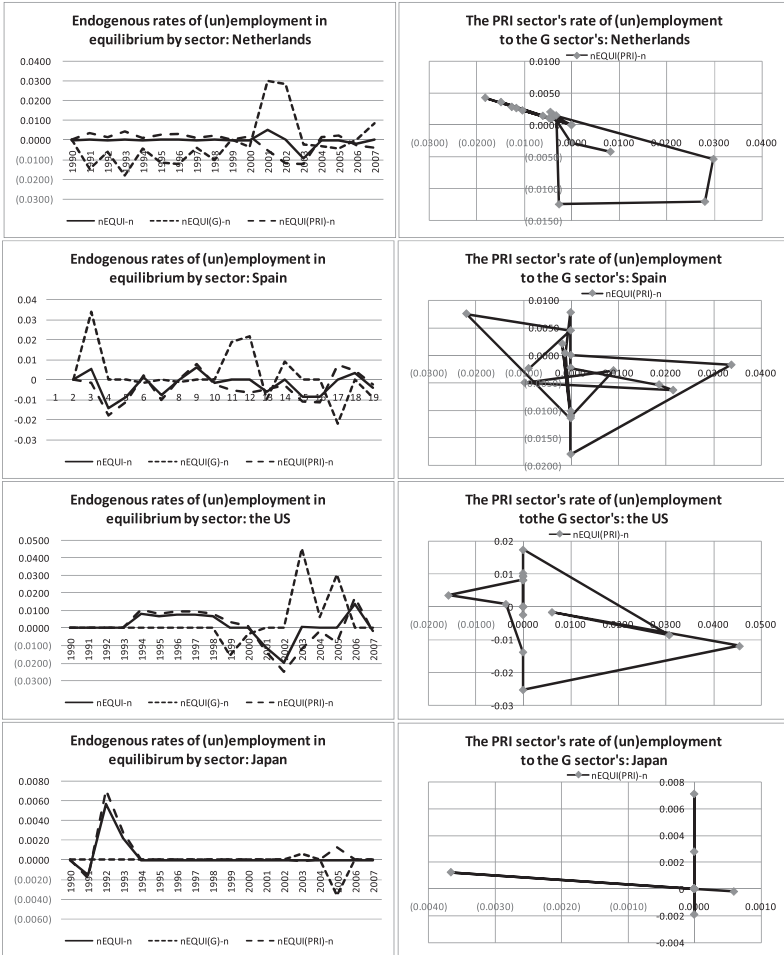


Figure A15 Endogenous rates of (un)employment in equilibrium by sector, comparing those of government sector with those of the private sector (2)

Appendix A1 Two important functions as a base for maintaining equilibrium

For a curve of hyperbolic, $y = e + \frac{f}{a \cdot x + b}$, where $f = c \cdot x + d$, the line at $x = -b/a$ shows the vertical asymptote and the line $y = e$ shows the horizontal asymptote. If $a \cdot f > 0$, the curve stays at the first and third quadrants, and if $a \cdot f < 0$, the curve stays at the second and fourth quadrants. The shape of the hyperbolic is measured by $\sqrt{|f/a|}$, which shows the degree of diminishing returns to capital (see figure of the shape). For the following functions, $i = I/Y$ is independent to $n = n_E = n_0$.

The speed of convergence functions to to i and n_E : $\left(\frac{1}{\lambda^*}\right)(i)$ and $\left(\frac{1}{\lambda^*}\right)(n)$

$$\frac{1}{\lambda^*} = \frac{1}{(1-\alpha)n + i(1-\delta_0)(1-\beta^*)} \quad (1)$$

Using $y = \frac{cx+d}{ax+b}$, where $y = \frac{1}{\lambda^*}$, $x = i$, $c = 0$, $d = 1$, $a = (1-\beta^*)(1-\delta_0)$, and $b = (1-\alpha)n$,

$$y = \frac{1}{(1-\beta^*)(1-\delta_0)i + (1-\alpha)n} = \frac{1}{ax+b} \quad e = 0 \text{ indicates that the horizontal asymptote is}$$

the line $y = 0$.

The vertical asymptote (V.A.) of the speed of convergence (the Y axis) to the ratio of investment to output, i (the X axis) :

$$\frac{1}{\lambda^*} \text{ to } i: i = -\frac{n(1-\alpha)}{(1-\beta^*)(1-\delta_0)} \quad (2)$$

If $a \cdot f = (1-\beta^*)(1-\delta_0) > 0$, curves locate at the first and third quadrants, and if $(1-\beta^*)(1-\delta_0) < 0$, curves locate at the second and fourth quadrants.

The vertical asymptote (V.A.) of the speed of convergence (the Y axis) to the growth rate of population, n (the X axis):

$$\frac{1}{\lambda^*} \text{ to } n: n = -\frac{i(1-\beta^*)(1-\delta_0)}{(1-\alpha)}, \text{ where} \quad (3)$$

If $(1-\alpha) > 0$, curves are at the first and third quadrants and if $(1-\alpha) < 0$ curves are reversed.

The rate of return at convergence functions to i and n_E : $r^*(i)$ and $r^*(n)$

$$r^* = \alpha \left(\frac{i(1-\beta^*)(1+n) + n(1-\alpha)}{i \cdot \beta^*(1-\alpha)} \right), \text{ where } r^* = \frac{\alpha}{\Omega^*} \text{ and } \Omega^* = \left(\frac{i \cdot \beta^*(1-\alpha)}{i(1-\beta^*)(1+n) + n(1-\alpha)} \right). \quad (4)$$

Using $y = \frac{cx+d}{ax+b}$, $a = \beta^*(1-\alpha)$, $b = 0$, $c = \alpha(1-\beta^*)(1+n)$, $d = \alpha \cdot n(1-\alpha)$, and

$$e = \frac{\alpha(1-\beta^*)(1+n)}{\beta^*(1-\alpha)}.$$

$$\text{Then, } r^* = \frac{\alpha(1-\beta^*)(1+n)}{\beta^*(1-\alpha)} + \frac{\alpha \cdot n(1-\alpha)}{i \cdot \beta^*(1-\alpha)}. \quad (5)$$

The vertical asymptote (V.A.) of the rate of return at convergence (the Y axis) to the ratio of investment to output (the X axis) is the line $i = 0$. If $a \cdot f = \alpha \cdot n \cdot \beta^*(1-\alpha)^2 > 0$, the curves locate at the first and third quadrants. The horizontal asymptote, r_{HA}^* , is: $\frac{\alpha(1-\beta^*)(1+n)}{\beta^*(1-\alpha)}$, where if $\beta^* = 1.0$, $r_{HA}^* = 0$ holds.

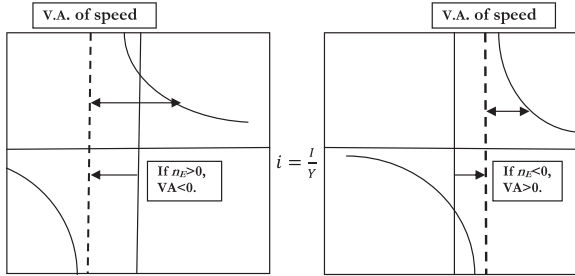
The rate of return at convergence (the Y axis) to the growth rate of population, n (the X axis) is linear:

$$r^* = \frac{\alpha(1-\beta^*)(1+n)}{\beta^*(1-\alpha)} + \frac{\alpha \cdot n(1-\alpha)}{i \cdot \beta^*(1-\alpha)} = \left(\frac{\alpha(1-\beta^*)}{\beta^*(1-\alpha)} + \frac{\alpha(1-\alpha)}{i \cdot \beta^*(1-\alpha)} \right) n + \frac{\alpha(1-\beta^*)}{\beta^*(1-\alpha)}, \quad (6)$$

where the gradient is $\frac{\alpha(i(1-\beta^*) + (1-\alpha))}{i \cdot \beta^*(1-\alpha)} = \frac{\alpha(1-\beta^*)}{\beta^*(1-\alpha)} + \frac{\alpha(1-\alpha)}{i \cdot \beta^*(1-\alpha)}$ and the intercept is

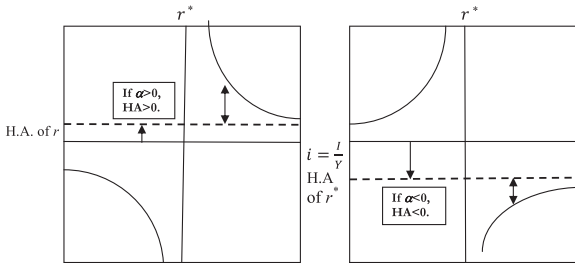
$$\frac{\alpha(1-\beta^*)}{\beta^*(1-\alpha)}.$$

1. The speed of convergence function to $i = I/Y$: $(1/\lambda^*)(i)$



1. On the vertical asymptote (V.A.), the speed of convergence, $1/\lambda^*$, is infinite.
2. The horizontal asymptote (H.A.) is $1/\lambda^* = 0$.
3. The curve is reversed if $(1 - \beta^*)(1 - \delta_0) < 0$, which rarely occurs.

2. The rate of return function to $i = I/Y$: $(r^*)(i)$

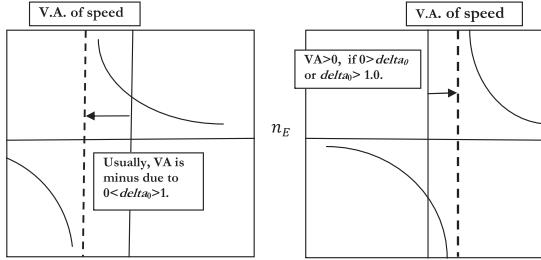


1. The horizontal asymptote (H.A.) is: $(\alpha(1 - \beta^*)(1 + n_E))/(\beta^*(1 - \alpha))$.
2. The first quadrant on the LHS shows inflation under diminishing returns by $i = I/Y$.
3. The second quadrant on the RHS shows deflation under increasing returns by $i = I/Y$.
4. If the sum of $r^*(i)$ and its H.A. are plus, these are normal; if these are minus, it implies 'falling into the trap of liquidity'. $H.A. = 0$ indicates a base of inflation/deflation.
5. The curve is reversed by using $a \cdot f = \alpha \cdot n_E \cdot \beta^*(1 - \alpha)^2 < 0$; from the first to second quadrant. This occurs often at the government sector, where the government relative share of capital turns to minus due to huge deficits or a minus saving.

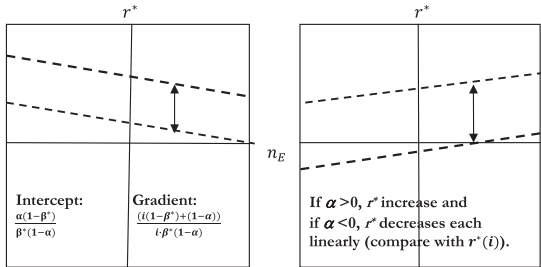
Note: Parameters except for $i = I/Y$ or n_E are fixed. The above figures hold not only at the total economy but also by sector.

Appendix A2 Two fundamental functions to the ratio of investment to output in equilibrium

1. The speed of convergence function to the growth rate of employees, n_E : $\left(\frac{1}{\lambda^*}\right)(n_E)$

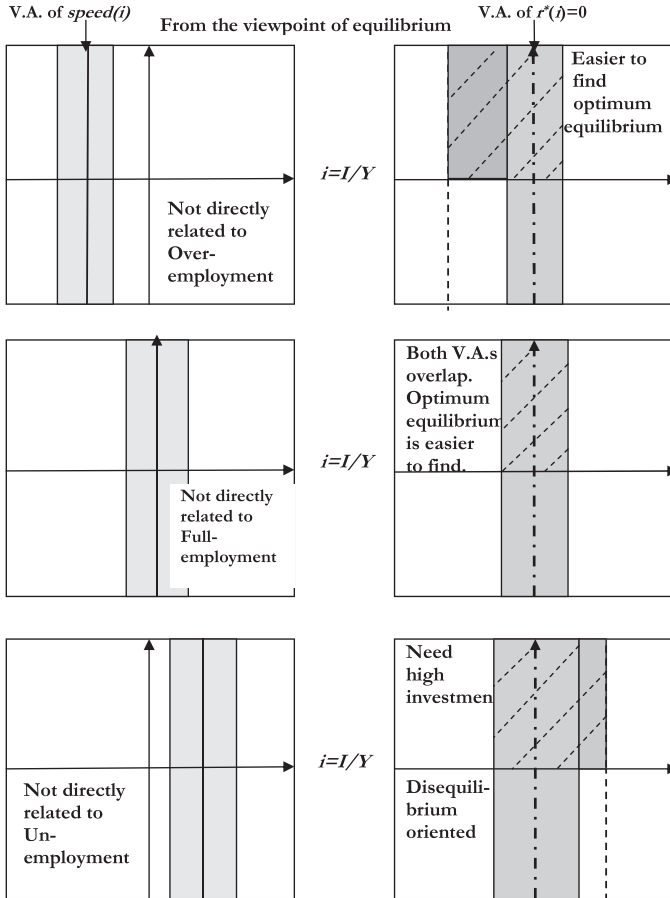


- On the vertical asymptote (V.A.), the speed of convergence, $1/\lambda^*$, is infinite.
 - The horizontal asymptote (H.A.) is $1/\lambda^* = 0$.
 - The curve stays at the first and third quadrants (no reverse). Its vertical asymptote shifts from the first to fourth quadrant: $n_E = -\frac{i(1-\beta^*)(1-\delta_0)}{(1-\alpha)}$.
 - At the V.A. it is most risky. The milder the curve the more stable the equilibrium is.
2. The rate of return function to the growth rate of employees, n_E : $r^*(n_E)$



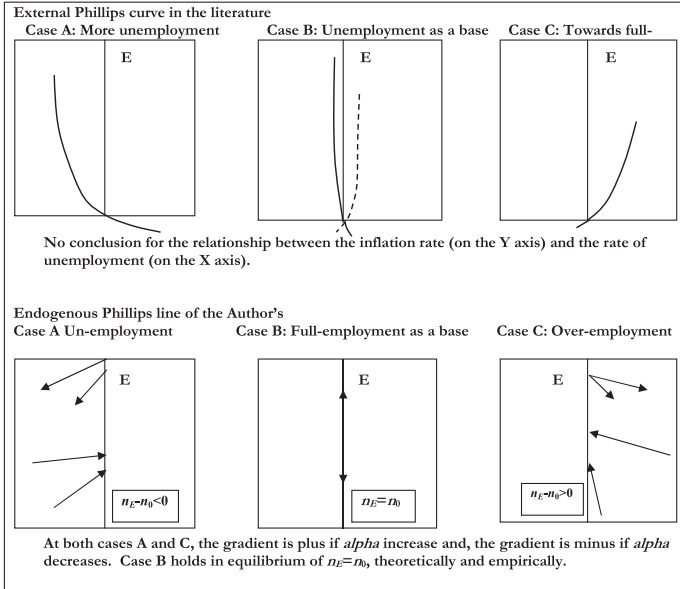
- The higher the intercept the better to increase employment: $\alpha(1-\beta^*)/(\beta^*(1-\alpha))$.
- If the gradient is negative, unemployment rate does not improve (as the LHS):
If the gradient is positive, unemployment rate improves (as the RHS):
 $\frac{\alpha(i(1-\beta^*) + (1-\alpha))}{i \cdot \beta^*(1-\alpha)}$.
- Calculate the intercept divided by the V.A. of $\left(\frac{1}{\lambda^*}\right)(n_E)$ and the gradient divided by the V.A. of $\left(\frac{1}{\lambda^*}\right)(n_E)$. Then, the relationship between the rate of return and the growth rate of population, $r^*(n_E)$, is clarified structurally. An endogenous rate of (un)employment is related to $r^*(n_E)$.

Appendix A3 Two fundamental functions to the ratio of investment to output in equilibrium, inherent in the endogenous Phillips curve



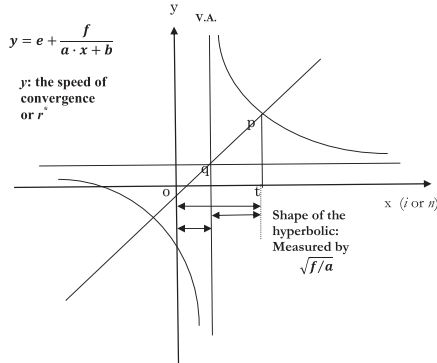
Note: $r^*(i)$ shows the case of $\alpha > 0$ so that the effective range of $i = I/Y$ is the first or fourth quadrant. The shadowed range of $i = I/Y$ is close to the vertical asymptote of $(1/\lambda^*)(i)$ and/or $r^*(i)$. The highest limit of disequilibrium range of $i = I/Y$ is determined by the shape of the hyperbolic, which is measured by $\sqrt{f/a}$ of $y = e + \left(\frac{f}{ax+b}\right)$. The shaper the shape of hyperbolic the more gentle the DRC is.

Appendix A4 Effective range of equilibrium versus risky range towards disequilibrium for $i = I/Y$



Note: Endogenous equilibrium holds at Case B below by manipulating an effective range of the speed of convergence functions of net investment and the growth rate of population in equilibrium: $\left(\frac{1}{\lambda^*}\right)(r^*)$ and $\left(\frac{1}{\lambda^*}\right)(n_E)$.

Appendix A5 The inflation rate and the rate of unemployment: external versus endogenous



$\sqrt{f/a}$ is related to the highest limit of the range of disequilibrium or the lowest limit of the range of equilibrium, when the sum of $\sqrt{f/a}$ and the vertical asymptote is used for optimum range.

Proof of the coordinates of t is $\sqrt{f/a}$:

The coordinates of o is $(-b/a, e)$. To solve the simultaneous equations are (1)

$y - e = x - (-b/a)$ and (2) hyperbolic of $y = e + \frac{f}{\alpha \cdot x + b}$, $x = \sqrt{f/a} - b/a$ is obtained.

Therefore, $\sqrt{f/a}$ is the shape of the hyperbolic by $\sqrt{\frac{f}{a}} = \sqrt{\frac{f}{a} - \frac{b}{a}} - \left(-\frac{b}{a}\right)$.

Shapes of $(1/\lambda^*)(i)$, $(r^*)(i)$, and $(1/\lambda^*)(n)$:

1. The hyperbolic, $(1/\lambda^*)(i): \left(\frac{1}{\lambda^*}\right) = \frac{1}{(1-\beta^*)(1-\delta_0)i + (1-\alpha)n} \Leftarrow \frac{1}{ax+b}$.

The shape of the hyperbolic is $\sqrt{\frac{1}{(1-\beta^*)(1-\delta_0)}}$, where the V.A. is $i = -\frac{n(1-\alpha)}{(1-\beta^*)(1-\delta_0)}$.

2. The hyperbolic, $(r^*)(i): r^* = \frac{\alpha(1-\beta^*)(1+n)}{\beta^*(1-\alpha)} + \frac{\alpha \cdot n(1-\alpha)}{i \cdot \beta^*(1-\alpha)} \Leftarrow e + \frac{f}{a \cdot x}$.

The shape of the hyperbolic is $\sqrt{(\alpha \cdot n)/\beta^*}$, where the V.A. is $i = 0$ due to $x = 0 \Leftarrow x = -b/a$.

3. The hyperbolic, $(1/\lambda^*)(n): \left(\frac{1}{\lambda^*}\right) = \frac{1}{(1-\alpha)n + i(1-\beta^*)(1-\delta_0)} \Leftarrow \frac{1}{ax+b}$.

The shape of the hyperbolic is $\sqrt{\frac{1}{(1-\alpha)}}$, where the V.A. is $n = -\frac{i(1-\beta^*)(1-\delta_0)}{(1-\alpha)}$.

Appendix A6 Shape of the hyperbolic as the upper limit of the effective range of equilibrium