

Some of the value added components in the price equations

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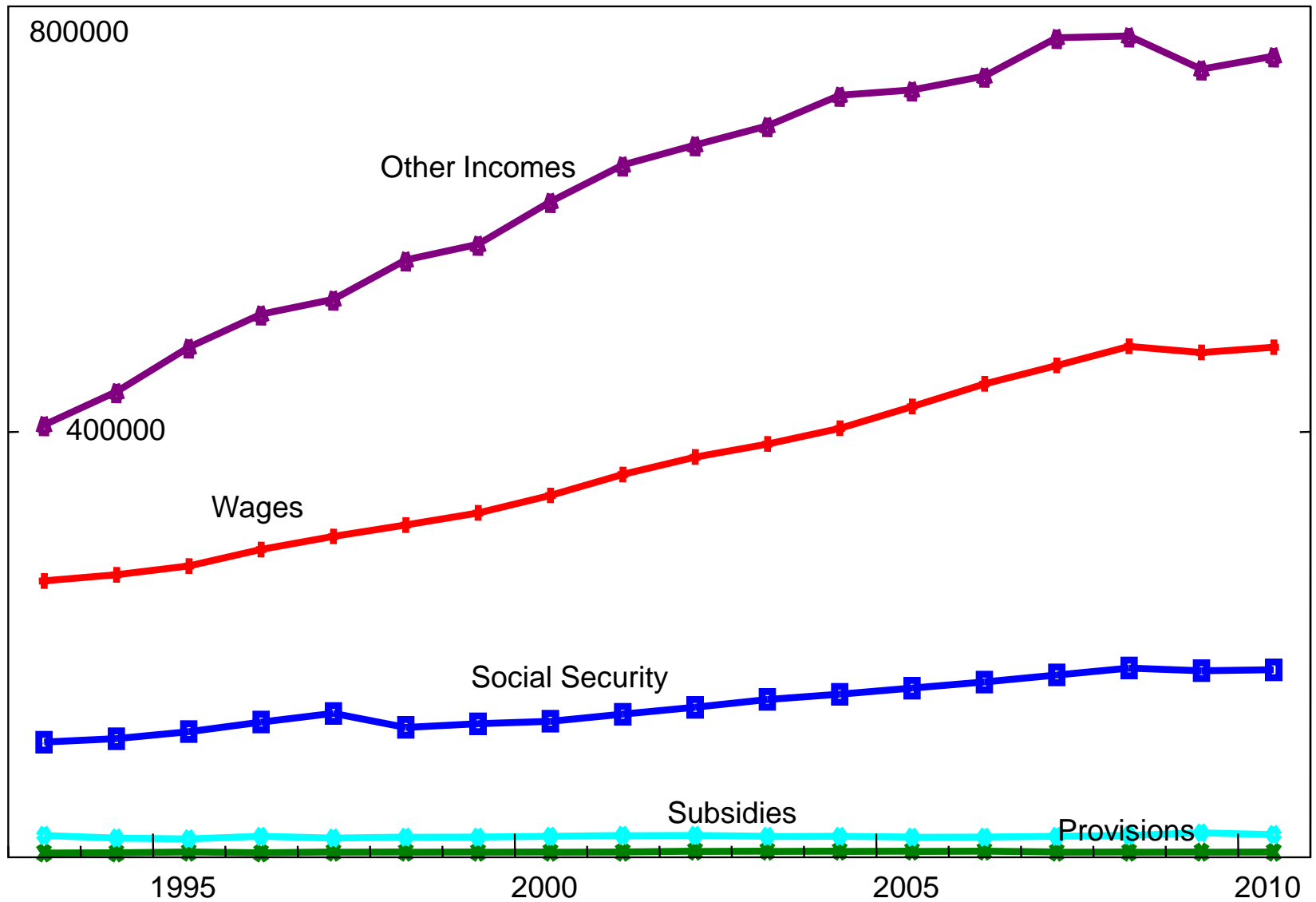


The value added components

- Wages
- Social Security
- Subsidies
- Provisions
- Surplus



Value Added Components



Wages

Wages enter the model with:

- two macro equations
- and 45 sectoral equations

Social security

- Social security is a bundle of pure policy instruments
- Social security is computed applying rates to sectoral wages



from the title:

**Some of the value added
components**

IN THE TIME INTERVAL 1993-2010



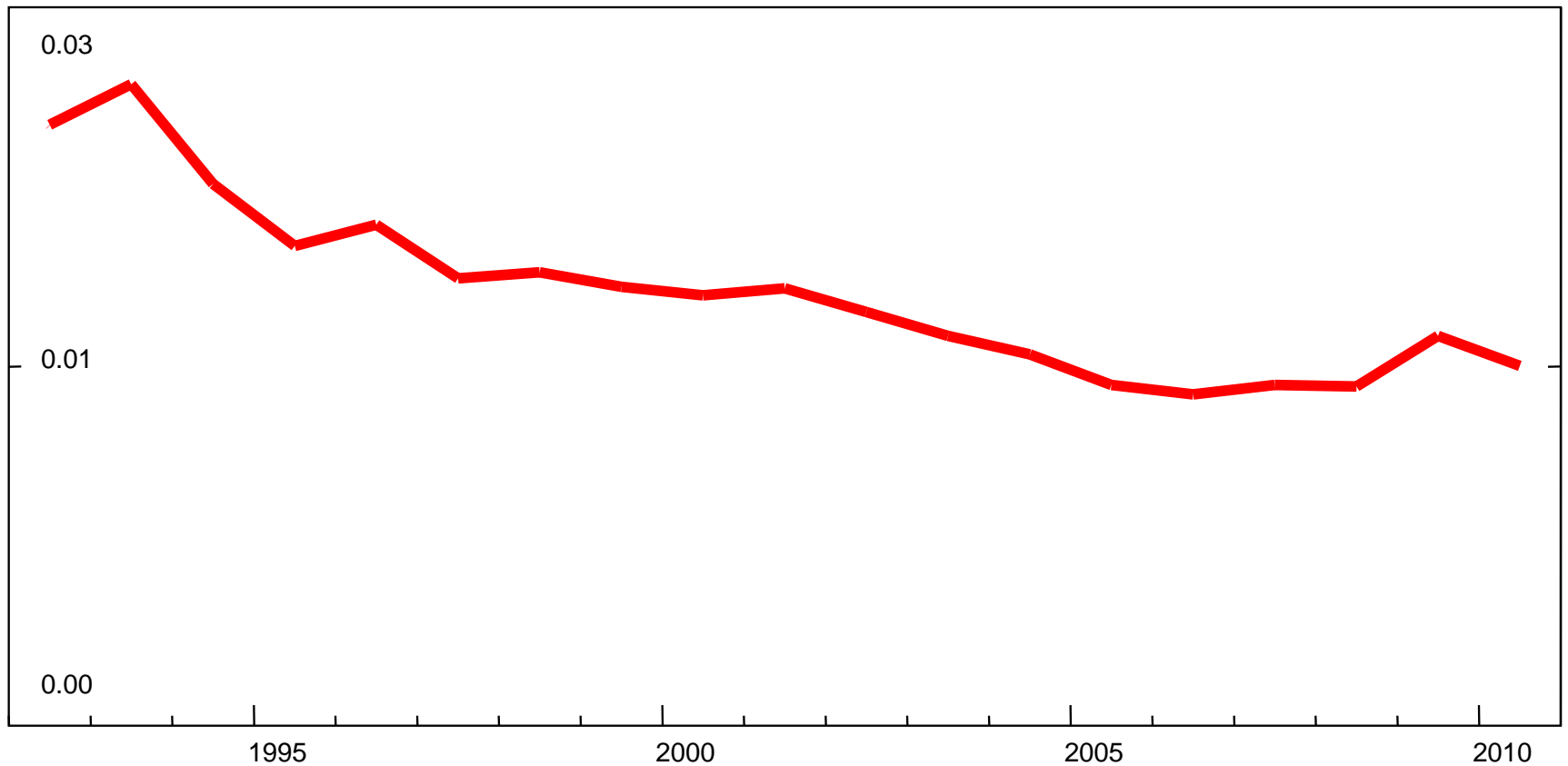
Other components are:

- 1) *PROVISIONS*
- 2) *SUBSIDIES*
- 3) *OTHER INCOMES*



Subsidies

Fig. 1 - Subsidies to Value Added
ratio - Average



Subsidies

Fig 2 - Convergence to Country average

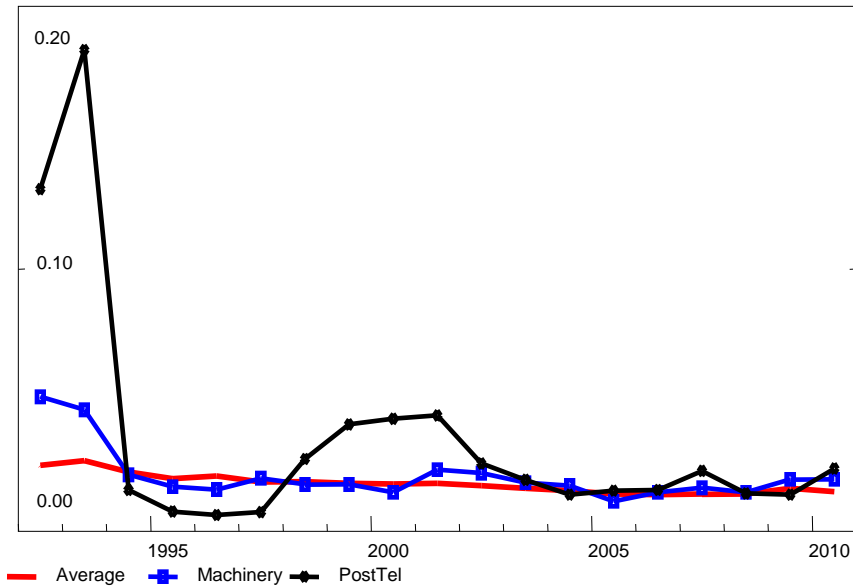
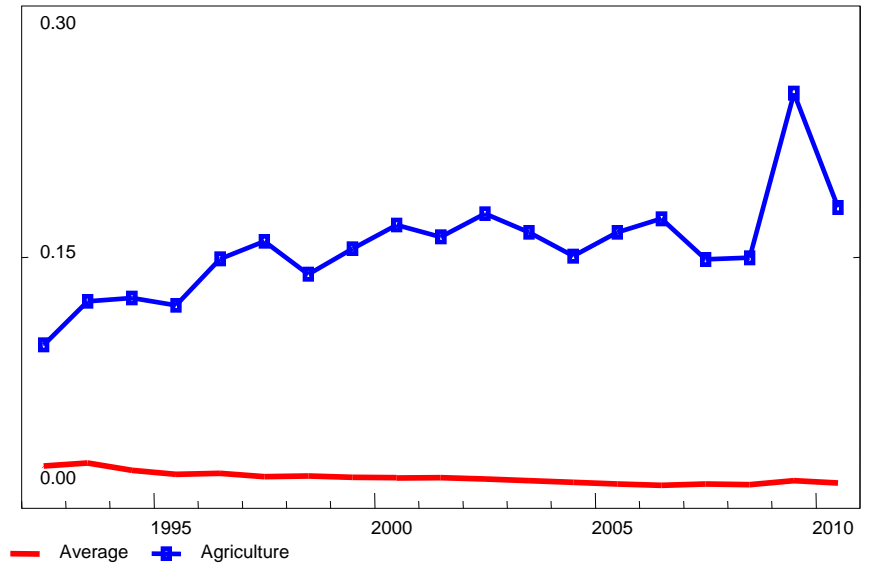


Fig. 3 - Agriculture - A special case
PAC impact in EU Member State



Subsidies

Fig. 4 - Change for Automobile Industry
Behind the globalization of FIAT

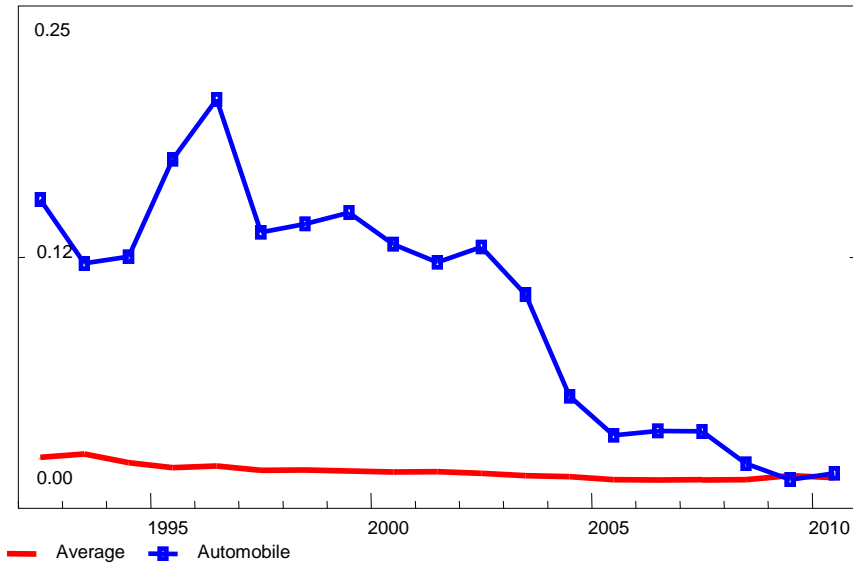
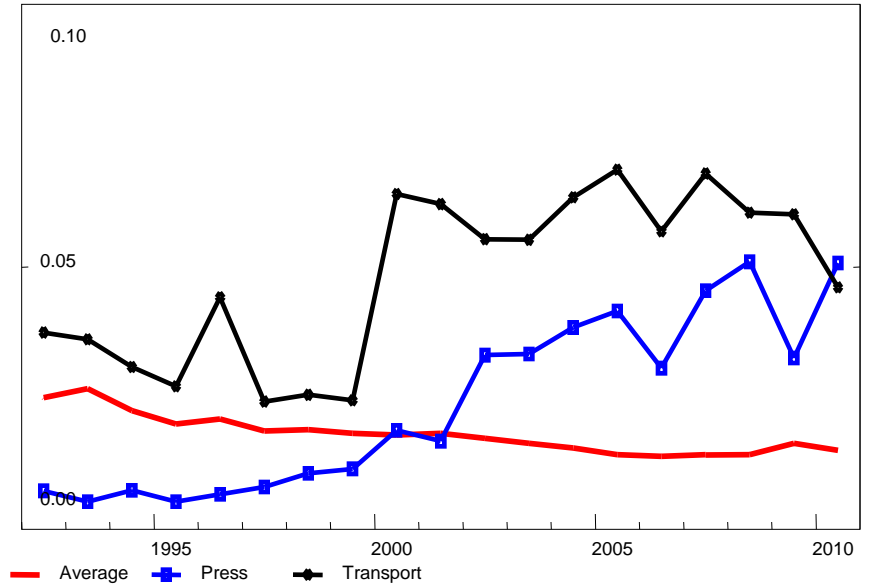


Fig. 6 - Going against the grain



Subsidies

Fig. 5 - Education
New attention to 'private' education

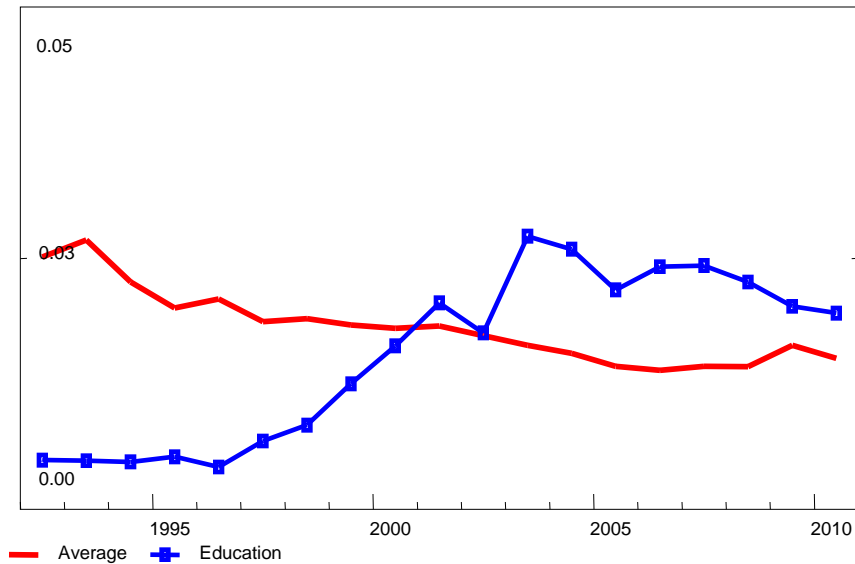
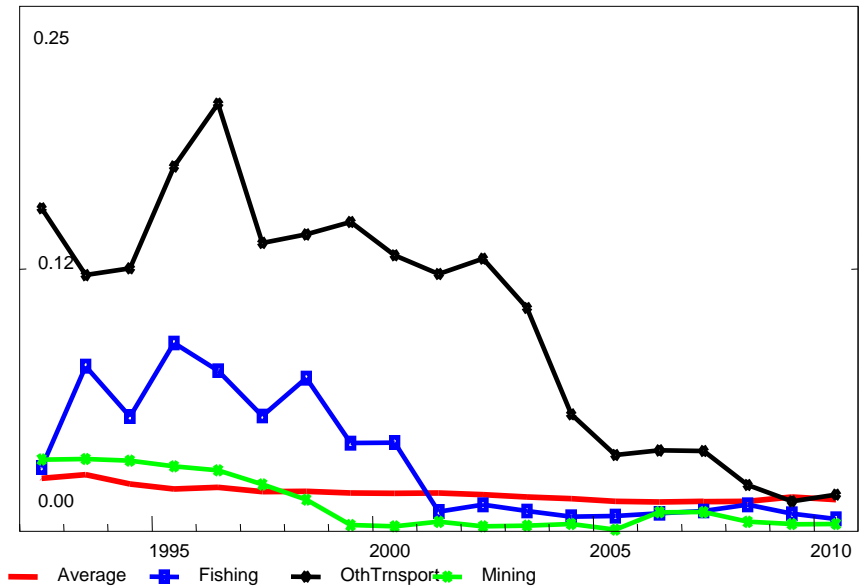
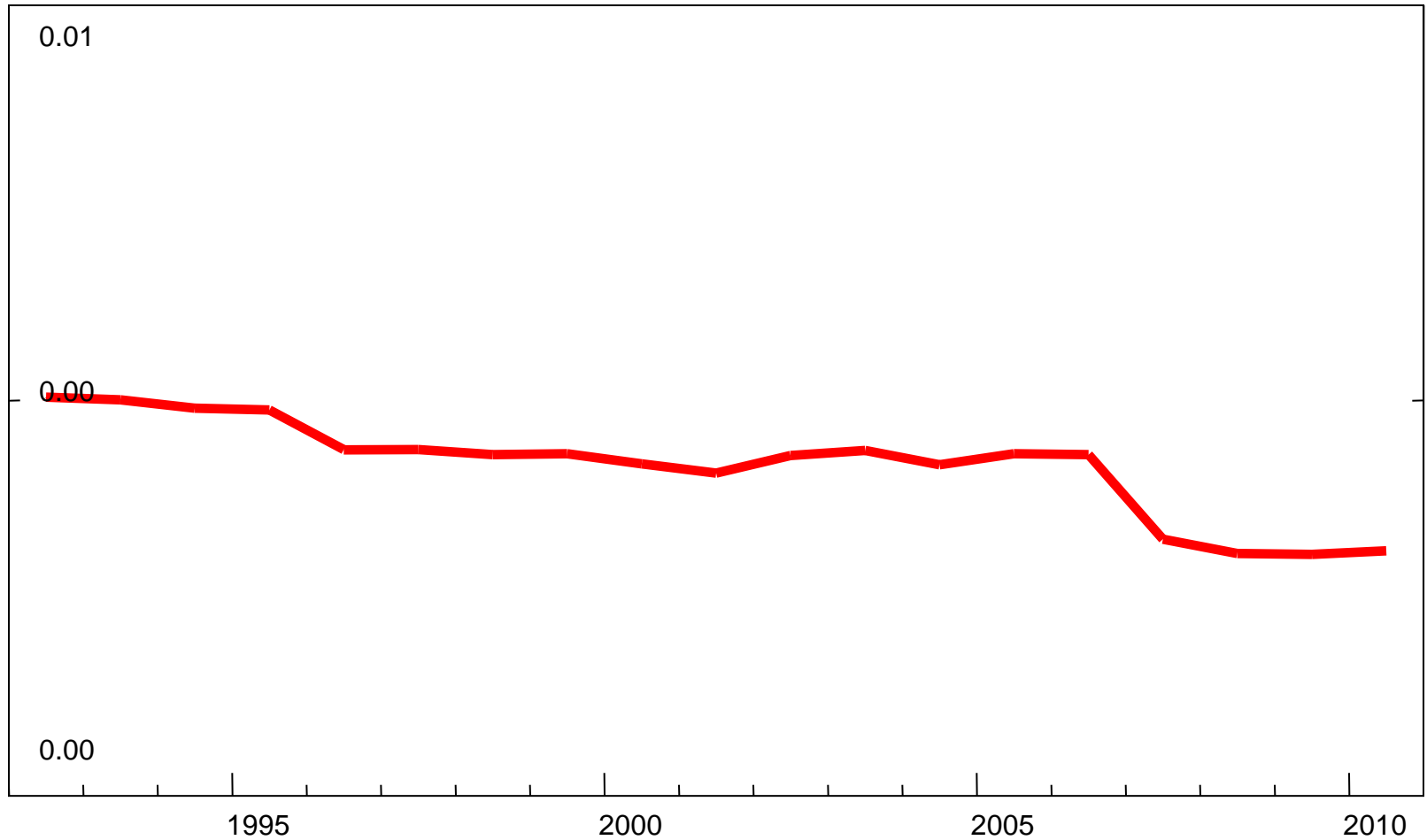


Fig. 7 - Subsidy fading away



Provisions

Fig. 8 Provisions
Value Added share



Behind 'Other Incomes' Self-employment trends

Fig. 9 - Declining Self-employment

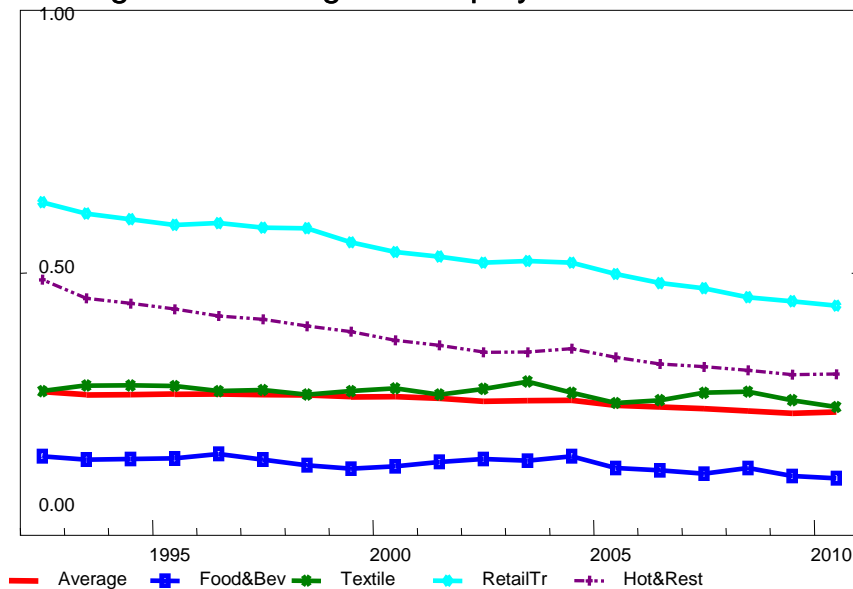
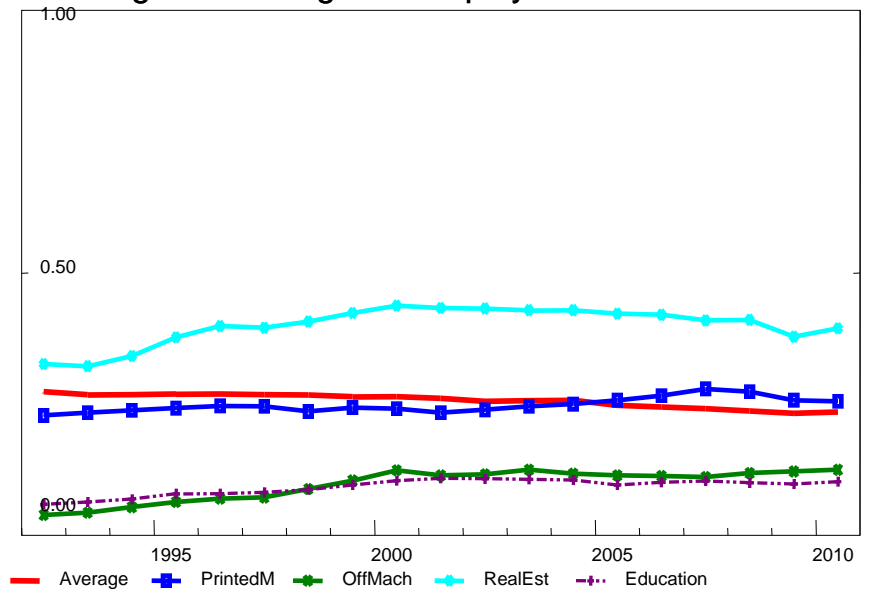


Fig. 10 - Rising Self-employment



Wages and Surplus

Fig. 11 - Wages and Surplus
Aggregates

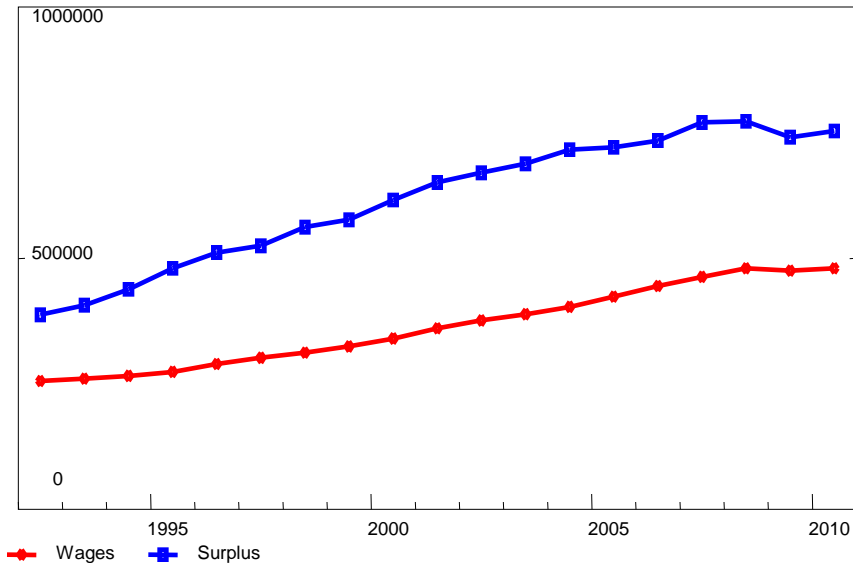
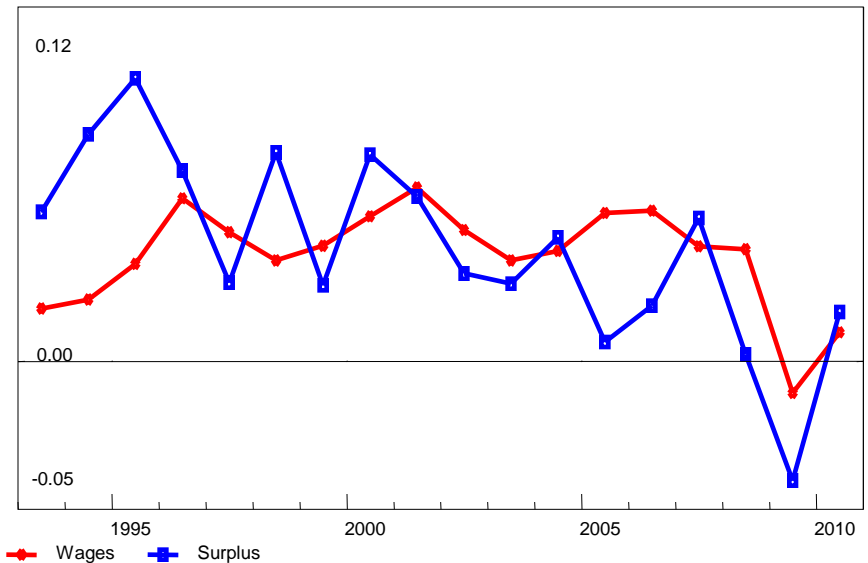


Fig. 12 - Wages and Surplus
Rates of Growth



Surplus equations

- Modelling Surplus
- The fundamental driving variable is assumed to be represented by the cycle
- The sectoral output rate of growth is used as a proxy of the cycle



Surplus equations

The standard equation is:

$$y = b_0 + b_1 * x + b_2 * \text{trend}$$

Where

- y is the surplus to wages+social security ratio
- x is the (sectoral) output rate of growth
- trend is the trend



Fig. 19 - Agriculture & Forestry

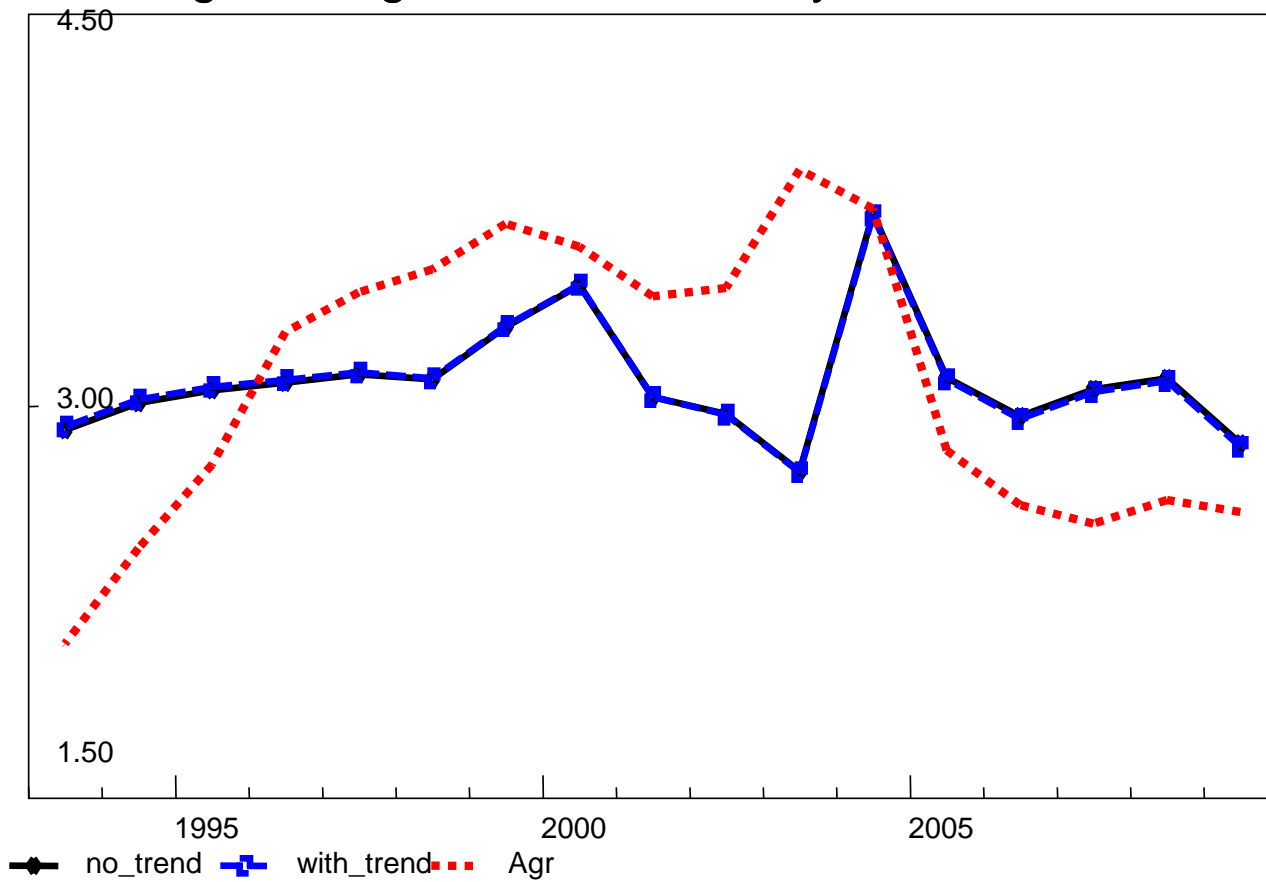


Fig. 20 - Wood Products

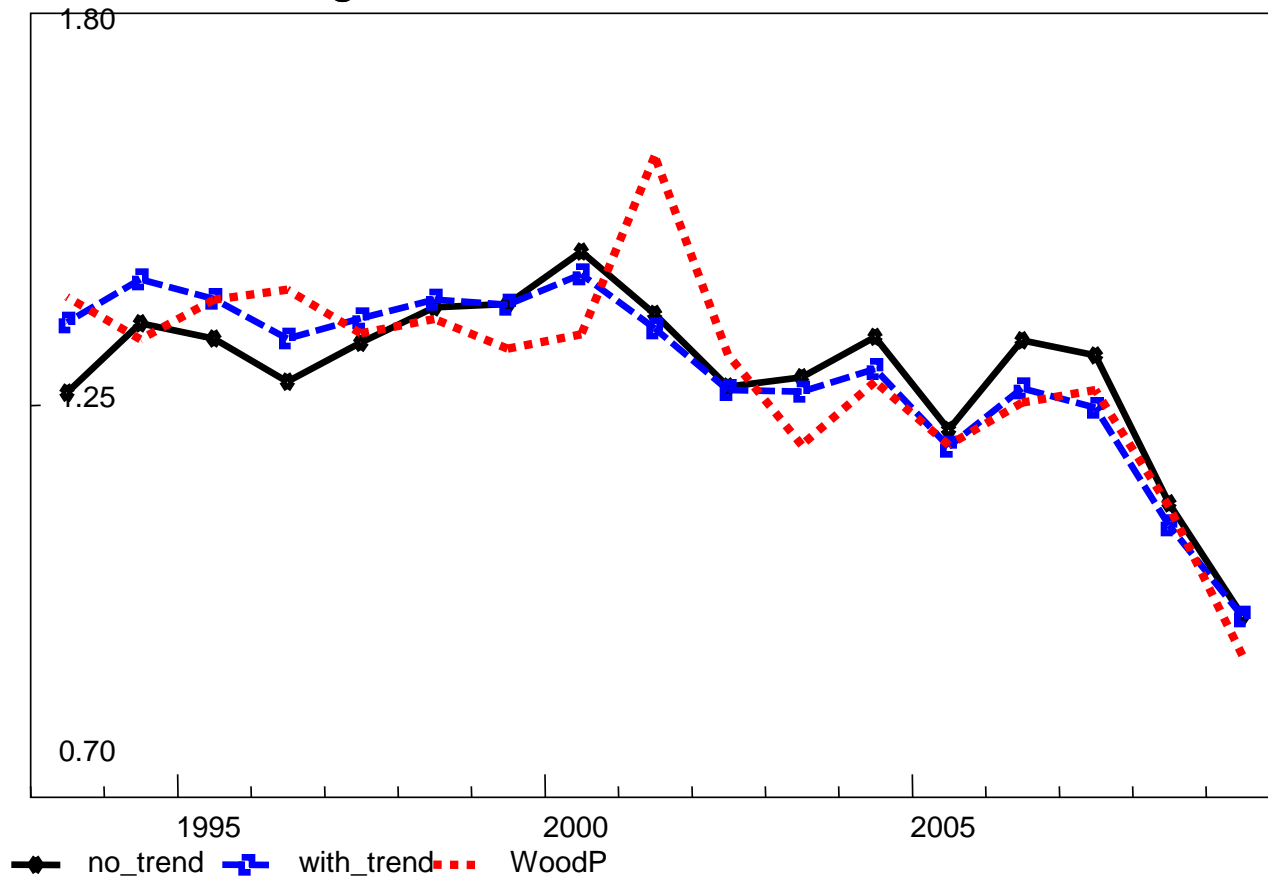


Fig. 21 - Retail Trade

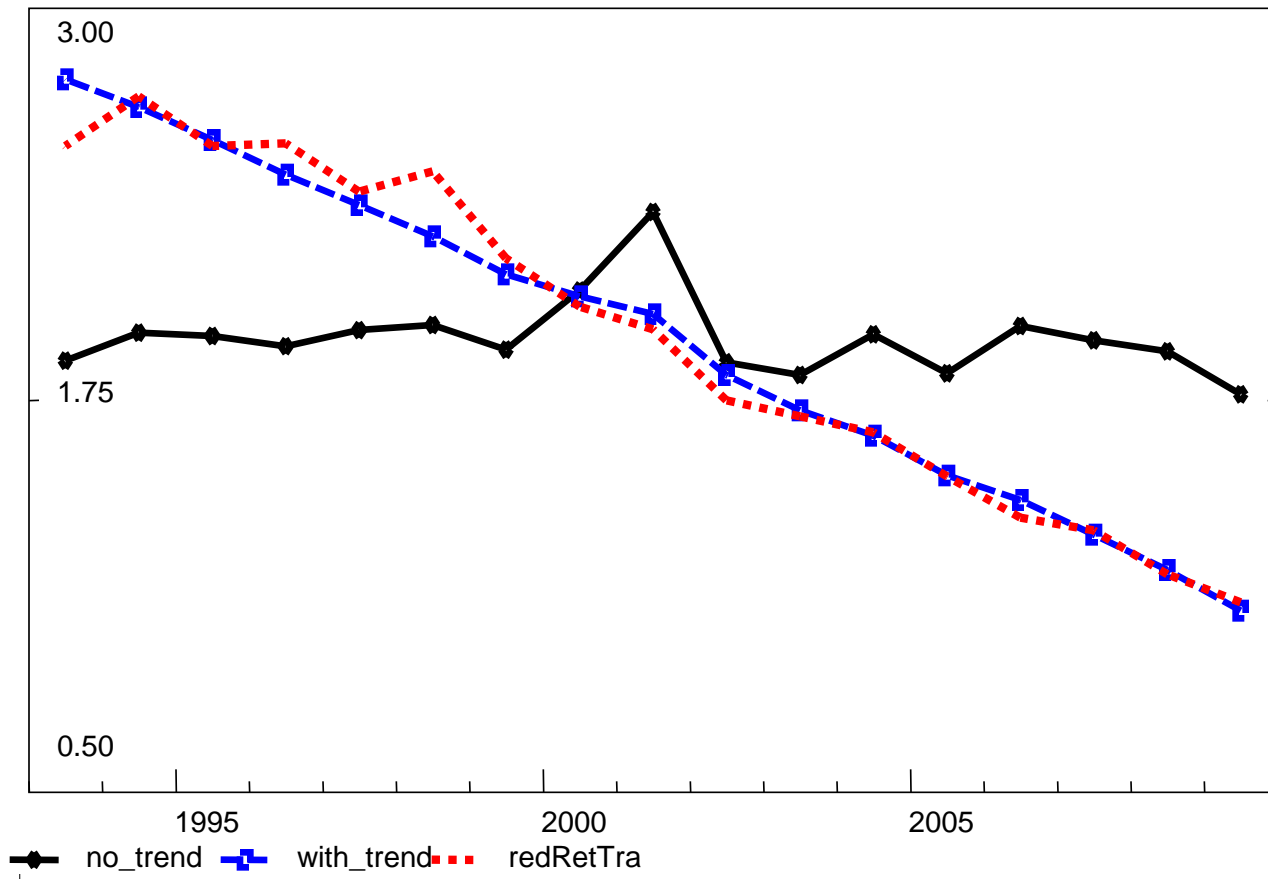
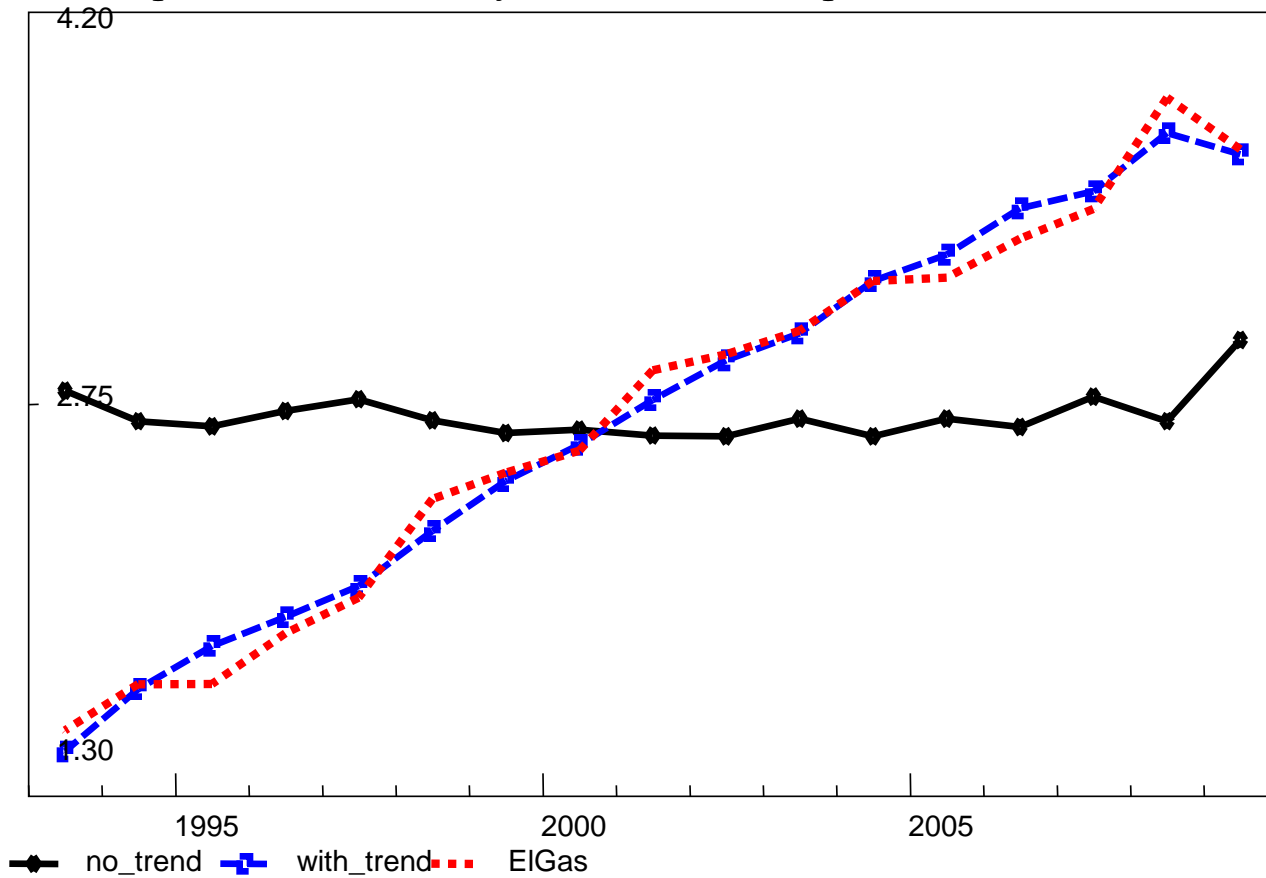


Fig. 22 - Electricity - Gas - Sewage



SECTORS	intercept	output	trend	RSQ		deltaRSQ
				trend	no_trend	
1 Agriculture & Forestry	6,4	6,543	-0,002	0,18	0,17	0,00
2 Fishing & Fishing products	263,5	1,521	-0,131	0,75	0,11	0,64
3 Coal, Crude petroleum, Natural Gas	477,3	-0,702	-0,236	0,66	0,01	0,65
4 Metal ores, Mining, Quarrying	-36,2	1,767	0,019	0,53	0,36	0,17
5 Food, Beverages, Tobacco	26,8	0,823	-0,013	0,30	0,08	0,22
6 Textiles	17,3	0,707	-0,008	0,64	0,56	0,08
7 Wearing apparels, Furs	5,3	0,670	-0,002	0,16	0,13	0,03
8 Leather and leather products	-44,7	0,387	0,023	0,63	0,11	0,52
9 Wood products, Cork	23,8	0,921	-0,011	0,73	0,63	0,10
10 Pulp, Paper & Paper products	39,7	1,300	-0,019	0,67	0,46	0,21
11 Printed matter & Recorded media	-37,5	1,042	0,019	0,55	0,03	0,51
12 Coke, Refined petroleum	177,7	5,864	-0,088	0,37	0,17	0,20
13 Chemical products, Fibres	23,4	1,217	-0,011	0,53	0,40	0,13
14 Rubber & Plastic products	38,2	0,662	-0,019	0,83	0,59	0,23
15 Other Non-metallic mineral products	-1,3	1,205	0,001	0,72	0,71	0,00
16 Basic metals	19,2	0,791	-0,009	0,31	0,27	0,04
17 Metal products	10,6	0,581	-0,005	0,52	0,47	0,05
18 Machinery and Equipment n,e,c	12,6	0,500	-0,006	0,66	0,54	0,12
19 Office machinery & Computers	-31,3	1,609	0,016	0,52	0,47	0,05
20 Electrical machinery & apparatus n,e,c,	-24,0	0,791	0,012	0,83	0,31	0,52
21 Medical, Precision instruments	50,1	0,863	-0,025	0,64	0,25	0,39
22 Motor vehicles & Trailers	-30,2	0,363	0,015	0,32	0,03	0,28



SECTORS	intercept	output	trend	RSQ	deltaRSQ	
22 Motor vehicles & Trailers	-30,2	0,363	0,015	0,32	0,03	0,28
23 Other transport equipments	-11,5	0,523	0,006	0,15	0,09	0,06
24 Furniture and Manufactured goods n,e,c,	11,8	0,215	-0,005	0,38	0,23	0,15
25 Electrical energy, Gas, Sewage	-291,2	1,622	0,147	0,99	0,01	0,97
26 Construction work	2,2	1,101	0,000	0,61	0,60	0,00
27 Trade, Manteinance & Trade services	116,6	-0,154	-0,057	0,73	0,12	0,60
28 Wholesale Trade	44,7	2,670	-0,021	0,59	0,49	0,10
29 Retail Trade	211,4	0,351	-0,105	0,97	0,06	0,92
30 Hotel & Restaurant services	47,9	0,901	-0,023	0,73	0,32	0,40
31 Land transport & Pipeline services	-47,8	1,160	0,025	0,58	0,00	0,58
32 Water, Air Transport services	53,1	-0,014	-0,026	0,74	0,07	0,67
33 Post & Telecommunication services	-168,9	2,565	0,085	0,75	0,01	0,74
34 Financial services	-60,5	0,255	0,031	0,79	0,04	0,75
35 Insurance & Pension funds	-343,7	6,624	0,172	0,56	0,06	0,50
36 Financial auxiliary services	-9,0	0,227	0,005	0,02	0,00	0,02
37 Real estate & Renting services	-1061,6	66,106	0,560	0,47	0,11	0,36
38 Computer & Research services	33,2	0,446	-0,016	0,76	0,34	0,42
39 Other Business services	91,3	1,999	-0,045	0,69	0,26	0,43
40 Public administration & Defence	-15,6	0,894	0,008	0,82	0,32	0,49
41 Education services	-10,0	0,735	0,005	0,67	0,23	0,43
42 Health and Social services	-5,0	-0,191	0,003	0,31	0,00	0,31
43 Recreational,Cultural, Sporting services	22,7	0,268	-0,011	0,20	0,05	0,16
44 Other services	82,8	0,603	-0,041	0,97	0,00	0,96
45 Private households with employed persons	0,0	0,000	0,000	0,03	0,00	0,03



How to use these equations

How to manage the trend



CONTINUE.....

