

# Income distribution, growth, and conflict: The aggregate demand nexus<sup>1</sup>

Özlem Onaran

*Vienna University of Economics and Business Administration  
e-mail: ozlem.onaran@wu-wien.ac.at*

Engelbert Stockhammer

*Vienna University of Economics and Business Administration  
e-mail: engelbert.stockhammer@wu-wien.ac.at*

## Abstract

This paper is a literature review on the recent Post-Keynesian empirical findings about the effect of income distribution on investment and growth in a variety of different countries and aims at discussing the policy implications of this literature. The core question is the following: Are actual economies wage-led or profit-led? Current orthodoxy implicitly assumes that they are profit-led, and thus supports the neoliberal policy agenda. The merit of the Post-Keynesian/Kaleckian models is that they highlight the dual function of wages as a component of aggregate demand as well as a cost item. If an economy is not profit-led, then there is room for policies targeting growth and income distribution simultaneously. However, the economies are indeed dynamic in the sense that beyond a point an economy can shift from a wage-led to a profit-led regime, with an intensified distributional conflict.

*Key words:* distribution, demand, investment, consumption, foreign trade, macroeconomics, Keynesian economics.

*JEL classification:* E12, E20, E22, E25, E61.

## 1. Introduction

This paper is a literature review on the recent Post-Keynesian empirical findings about the effect of income distribution on

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investment and growth with the aim of discussing the policy implications of this literature. Mainstream economic policy making has relied on the argument that a wage cut or redistribution of income in favor of profits will stimulate growth and thereby employment in structurally very different countries. Both the structural adjustment agenda in the developing countries and the debate about European unemployment have been cases where mainstream economics has pushed for policy changes favoring a pro-capital redistribution of income, and a deregulation of the labor market. The theoretical background of this argument is based on neoclassical economics, where wages are seen primarily as a cost item.

This interpretation is particularly problematic given the current puzzle that we are facing regarding the link between investment and functional income distribution: Given that the share of profits in GDP have risen substantially in many countries, why have investment expenditures or growth not picked up with the recent recovery of profits? As of 2006 the wage share in the Euro area has fallen by 11.6 percentage points since 1981, but growth rates (of real GDP) remain well below those of the 1960s and 1970s (Stockhammer *et al.*, 2007). The picture is similarly dramatic for developing countries: In the 1980s and/or 1990s, the profit share has increased in major developing countries which were celebrated as successful liberalizers; however growth rates have also been decreasing in the same period (Onaran, 2007).<sup>2</sup>

Can Keynesian economics offer an explanation for this puzzle? Keynes (1973) has pointed out that wages are not only a cost in production, but also a source of demand. Cutting wages would thus lead to a fall in consumption expenditures. Since Kalecki and Kaldor, it has become a standard assumption in Post-Keynesian macroeconomics that wage incomes are associated with a higher consumption propensity than profit incomes. In the classical Kaleckian model (for a closed economy) an increase in the wage share will always lead to an increase in demand (Kalecki, 1954). Is that however the end of the story? Marx would say “no!” Although the argument of demand deficiency due to low wages has a place in

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<sup>2</sup> In Argentina, Mexico, Chile, and Turkey average profit share increased between 8.5-10.5 percentage points from 1970s to post-1980s, but the average rate of growth has been much lower (Onaran, 2007). Also in South East Asia profit shares have been increasing in some countries like Indonesia and Malaysia, along with declining growth rates. In some other cases where profit share was decreasing in the 1980s, like Korea, Thailand, or Philippines, the crises of 1997-98 have not only led to a deterioration of growth rates, but also a reversal of the decline in the profit share.

Marxian economics, expressed as the problem of underconsumption, the role of wages as a cost item is also crucial. Indeed from a Marxian business cycle perspective, as formally modeled by Goodwin (1967), higher wages would lead to lower profits, which in turn depress investment expenditures, and translate into higher unemployment, thereby lower wage share once again. Synthesizing both aspects, Kaleckian models were re-formulated to allow for investment to react positively to both profits and demand (Bhaduri and Marglin, 1990; Blecker, 1999; 2002). An increase in the share of wages in income stimulates consumption, but on the other hand reduces the expected future rate of profits and partially dampens the positive effect of consumption increase on investment. Furthermore, it raises the unit labor costs (thus implies a loss in international competitiveness) and therefore reduces net exports. Whether the negative effects will offset the positive, is an empirical question. In these Post-Keynesian/Kaleckian models an increase in the wage share can lead to higher or lower growth or investment; thus demand can be wage-led or profit-led depending on the relative size of the consumption differential, the relative sensitivity of investment to profits vs. demand, and the sensitivity of net exports to unit labor costs. Furthermore, this outcome need not be static. The parameters of the system may change over time, and the regime can shift from being wage-led to profit-led, or vice versa.

Are actual economies wage-led or profit-led? Answering this empirical question requires testing the dynamic interaction between distribution, investment, and growth. Current orthodoxy implicitly assumes that they are profit-led, and thus supports the neoliberal policy agenda. The merit of a Post-Keynesian/Kaleckian model for our purposes is that it highlights the dual function of wages as a component of aggregate demand as well as a cost item, as opposed to the mainstream economics, which perceive wages merely as a cost item. The purpose of the paper is to review the empirical findings for a variety of developing and developed countries from an economic policy perspective.

In this paper, we are limiting the analysis of distribution to that between capital and labor. Thus we are not dealing with the distributional struggle within capital. We also do not discuss the income of small producers, which is classified as part of the operating surplus (profit in our case), although the income of subsistence producers or some other self-employed would be labor income. Finally, part of the wage income is managerial income, which indeed

could have a different marginal propensity to consume. Unfortunately data limitations do not allow more detailed disaggregation.

The paper is structured as follows: The next section summarizes the basic features of the post-Keynesian/Kaleckian model. Section 3 reviews the empirical findings about the effect of a change in income distribution on growth and accumulation in a variety of different countries. Section 4 discusses the issue of regime shifts, i.e. shift from a wage-led to profit-led regime through time. Section 5 concludes with policy implications.

## 2. Theoretical background

In this section we summarize the basic features of a post-Keynesian/Kaleckian open economy model for analyzing the dynamics of distribution, investment, and growth<sup>3</sup>. Government expenditures are excluded from our analysis, which focuses on the private sector. The goods market part consists of behavioral functions for accumulation, savings, and net exports.

The model developed by Marglin and Bhaduri (1990) is a more general formulation of earlier neo-Kaleckian models by Rowthorn (1981), Dutt (1984), Taylor (1985) and Blecker (1989), and allows for profit-led as well as wage-led growth regimes. This generality borrows itself to the decomposition of the profit rate ( $r$ ) into the profit share ( $\pi$ ), capacity utilization ( $z$ ) and (technical) capital productivity ( $k$ ).

$$r = \frac{R}{K} = \frac{R}{Y} \frac{Y}{\bar{Y}} \frac{\bar{Y}}{K} = \pi z k \quad . \quad (1)$$

Then, for the sake of simplicity, assuming that technical capital productivity is constant, the rate of accumulation ( $g_t^I$ ), which is the ratio of new investment to the stock of capital ( $\frac{I}{K}$ ), can be formulated as a function of the past values of the profit share ( $\pi$ ), and capacity utilization ( $z$ ), which constitute the current expected rate of profit. Equation (2) presents an extended linear version of this accumulation function. The parameters of the investment function, that is, the demand sensitivity ( $a_1$ ) and the profit sensitivity of investment ( $a_2$ ) are

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<sup>3</sup> This section is based on the model developed in Onaran and Stockhammer (2005).

understood to depend on the specific institutional setting and the experiences of capitalists in the past. They may change over time, as we will discuss in more detail below. All coefficients in the following equations are positive numbers.

$$g_t^I \equiv \frac{I_t}{K_t} = a_0 + a_1 z_{t-1} + a_2 \pi_{t-1} \quad (2)$$

A simple Cambridge savings function models the ratio of domestic savings to capital stock,  $g_t^{Sdomestic}$ , as a function of capacity utilization and income distribution, i.e. the profit share.

$$g_t^{Sdomestic} = b_1 z_t + b_2 \pi_t \quad (3)$$

Assuming that workers have a lower marginal propensity to save than capitalists,  $b_2$  is positive and accounts for the differences in savings propensity between profit incomes and wage incomes.

International trade is modeled by focusing on the effect of distribution and growth on net exports ( $nx$ ), leaving the other crucial variables of an open economy outside the model. The profit share, by definition, is the inverse of real unit labor costs. A decrease in nominal unit labor costs will only be partially reflected in prices (thereby affect competitiveness), because the prices of imported goods are not affected. For simplicity, net exports (again normalized by capital stock) are modeled as a positive function of the profit share and a negative function of capacity utilization (since imports are a positive function of the domestic demand).<sup>4</sup>

$$nx_t = -h_1 z_t + h_2 \pi_t \quad (4)$$

The goods market equilibrium is determined by investment being equal to total domestic and foreign savings, i.e.:

$$g^I = g^{Stotal} = g^{Sdomestic} - nx. \quad (5)$$

Capacity utilization implied by the goods market equilibrium can be written as:

$$z_t^{IS} = \frac{1}{b_1 + h_1} [g_t + (h_2 - b_2) \pi_t]. \quad (6)$$

The effect of an increase in the profit share on capacity utilization is indeterminate, and will depend on the relative

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<sup>4</sup> Equation (4) should be interpreted as a reduced form. A full discussion would model prices explicitly and take nominal rather than real unit labor costs as the starting point. Stockhammer *et al.* (2007) proceed along these lines.

responsiveness of consumption and investment to profits. This effect, thus the sign of  $\frac{\partial z}{\partial \pi}$ , will be indeterminate. The overall effect of profit share (taking into consideration lagged effects as well) will depend on the relative magnitude of its positive direct effect on investment, the positive international demand effect, and the negative effect on domestic consumption. If a higher profit share leads to higher growth, the growth regime is called exhilarationist; but if  $\frac{\partial z}{\partial \pi} < 0$ , then the regime is called 'stagnationist' (Bhaduri and Marglin, 1990).

Finally substituting (6) into (2), we get accumulation as a function of distribution:

$$g_t^I = a_0 + \left(\frac{a_1}{b_1 + h_1}\right)g_{t-1}^I + \left(a_2 + a_1 \frac{h_2 - b_2}{b_1 + h_1}\right)\pi_{t-1}. \quad (10)$$

Again here the effect of the profit share on accumulation,  $\frac{dg_t^I}{d\pi_{t-1}}$ , can be decomposed to the direct positive effect of the profit share on accumulation (the partial  $\frac{\partial g_t^I}{\partial \pi_{t-1}} = a_2$ ), the positive

international demand effect

$$((\partial g_t^I / \partial z_{t-1}) * (\partial z_{t-1} / \partial n x_{t-1}) * (\partial n x_{t-1} / \partial \pi_{t-1})) = (a_1 h_2) / (b_1 + h_1)$$

and the negative domestic consumption effect

$$((\partial g_t^I / \partial z_{t-1}) * (\partial z_{t-1} / \partial \pi_{t-1})) = (-a_1 b_2) / (b_1 + h_1).$$

Depending on the relative magnitudes of these effects, an increase in the profit share leads either to an increase in accumulation, in which the regime of accumulation is profit-led, or to a decrease, i.e. to a wage-led regime of accumulation<sup>5</sup>. From a political economy perspective, the wage-led regime can be assumed to be the assumption behind the Keynesian-social democratic utopia, whereas the Marxian business cycle would be based on the profit-led nature of the regime, although there is room for wage-led/underconsumption phases in the presence of unemployment in Marxian economics as well. In the neo-Kaleckian synthesis discussed here, these alternatives are special cases of a more general model.

<sup>5</sup> In the following we will use the terms wage-led vs. profit-led to define the growth as well as accumulation regimes.

Although this basic intuition has been shared in broad terms in many of the models, there have been differences in how different authors introduced the relevant variables to the model. There have also been some important extensions. Stockhammer and Onaran (2004) complement the goods market block by an unemployment function, a productivity function, and a distribution function incorporating pro-cyclical mark-ups, technology, and the reserve army effect in the Marxian sense. This extension particularly gives more room for Marx-Goodwin type feedback mechanisms between the goods and labor markets. Naastepad (2006) also incorporates productivity into the model.

### 3. Empirical literature

The tests of the Bhaduri-Marglin models can be grouped into two estimation strategies. The first group of papers tries to estimate the full model, that is, a goods market equilibrium relation, an employment function, and/or a distribution function as part of a system. Gordon (1995a) estimates consumption and investment as a function of income distribution for the USA in a VAR model, and Gordon (1995b) extends the model for an open economy. His conclusion is that the growth regime of the USA is profit-led. Stockhammer and Onaran (2004) estimate a structural VAR model consisting of the variables capital accumulation, capacity utilization, profit share, unemployment rate and labor productivity growth for the USA, UK and France. From the empirical investigation it is concluded that unemployment is determined by the goods market, and that the impact of income distribution on demand and employment is very weak. Technical progress is found to shift income distribution in favour of profits. Onaran and Stockhammer (2005) employ a similar model for Turkey and Korea and find some indication for wage-led demand regimes in these countries, as we will discuss in more detail below. The advantage of the systems approach is that the interaction between the variables can be incorporated. The disadvantage of the VAR is that it is difficult to identify effects of individual variables.

The second group of papers analyses the goods market in isolation and estimates consumption, investment and net export equations. The first paper along these lines was Bowles and Boyer (1995). They estimated separate equations for savings, investment and net exports for six OECD economies. The result obtained by Bowles and Boyer was that the growth regime is weakly profit-led when the foreign sector is taken into consideration; otherwise they found

evidence of a weakly wage-led regime for the hypothetical case of no foreign trade. Recently there have been several studies employing a similar strategy for various countries. Naastepad and Storm (2006/07) and Hein and Vogel (2008) offer multi-country studies (for OECD countries). Ederer and Stockhammer (2007), Stockhammer and Ederer (2007) offer country studies for France and Austria respectively, and Stockhammer *et al.* (2007) estimate a similar model for the Euro area. Naastepad (2006) estimates a model for the Netherlands based on single equations for savings, investment and exports as well as productivity growth.

These studies differ in the details of the underlying models and in the econometric specification. One important difference lies in the treatment of international trade. One group of papers (e.g. Bowles and Boyer (1995), and Hein and Vogel (2008)) estimate net export equations as a function of the wage share and other control variables. This estimation strategy implies that the effect of the change in the wage share on net exports in, say, 1965 is the same as in 2005. However, as international trade has increased faster than GDP, i.e. the relative importance of international competitive pressures grew larger, this is a rather restrictive assumption. A second group of papers (e.g. Ederer and Stockhammer (2007), Stockhammer and Ederer (2007) and Stockhammer *et al.* (2007)) estimate separate price equations and import and export equations. This seemingly technical difference in econometric strategy allows the effect of wage share on demand to increase with exports and import shares and therefore offer a richer treatment of the effects of globalization. Typically the second group of papers finds stronger (and rising) effects of the wage share on net exports, and thereby there is a higher tendency for the small open economies to be profit-led. Ederer and Stockhammer (2007) and Stockhammer and Ederer (2007) find that the aggregate demand regimes are profit-led in both France and Austria, although without foreign trade effect it would have been wage-led. Hein and Vogel (2008) fail to find effects of income distribution on net exports in four out of six countries. They also fail to find effects on investment in four out of six countries. Consequently they find profit-led demand regimes only in Austria and the Netherlands, which are also the ones where effects on net exports had been found. The other countries are found to be wage-led (France, Germany, UK and the USA). Naastepad and Storm (2006/07) find wage-led demand regimes in all European countries and profit-led ones in Japan and the USA. But the estimated equations are typically in ratio form, which are not the ones



avored by modern time series econometrics and no explicit attention is paid to the issues of unit roots. Compared to Stockhammer et al. (2007), Ederer and Stockhammer (2007), Stockhammer and Ederer (2007) the estimated effects on consumption and investment are high, but those on net exports are modest. Naastepad (2006) also finds that the Dutch demand regime is narrowly wage-led, in the sense that the growth rate of aggregate demand is relatively insensitive to changes in real wage growth.

The Post-Keynesian/Kaleckian model has been also tested in the context of developing countries. A first group of studies were only partial, in the sense that they presented single equations only for the investment function. Yentürk (1998) analyzes the relationship between profitability and investments for tradable and nontradable sectors; Onaran and Yentürk (2001), analyze the response of investment to demand and profitability for Turkey, and find that investments do not respond to profit share but demand. Seguino (1999) estimates the rate of capital accumulation as a positive function of wage share and capacity utilization for the manufacturing sector within a single equation framework for South Korea. However these studies only discuss the investment behavior, and do not address the interaction in the whole economy. To incorporate this interaction, Onaran and Stockhammer (2005) estimate structural VAR models for Turkey and Korea. The estimation results show that both the investment and growth regime is wage-led in South Korea, whereas in Turkey growth is wage-led, but investment is insensitive to distribution.

Empirically, at first sight the results might be pointing at some mixed evidence, and in some cases econometrical issues play also a major role in the outcome. So what can the policy maker learn from these exercises? Theoretically the effect of income distribution is unclear, and econometrically arriving at the correct estimation might be tricky. Does that leave us with total agnosticism or are there relevant policy implications in spite of empirical complications? Our answer is that the key issue lies in distinguishing the effects for single countries from regional or global effects. One would expect net exports to play a major role in determining the overall outcome, and more open (and smaller) economies are expected to be more profit-led (or less wage-led) than economies with a lower share of foreign trade in GDP. However, while individual countries can increase demand by increasing exports, the world as a whole of course cannot (Blecker,

1999). That brings an interesting twist to policy making from a regional or even global perspective.

Stockhammer et al. (2007) address this issue for the case of EU within this setting. If we take the finding that a small economy like Austria is profit-led (according to both Stockhammer and Ederer (2007) and Hein and Vogel, 2008), a quick conclusion could be that wage moderation, which would lead to a decline in the wage share, is advisable, since it will stimulate demand and employment. However, this would be a short-sighted conclusion. The trading partners of European economies are mostly other EU countries. The demand regime of some individual countries might be profit-led because of the international trade effect. Effectively, a profit-led country would be using wage moderation as a competitive real devaluation. However, the EU as a whole is a relatively closed economy. In the Euro area, exports and imports only account for only 13.1 percent and 12.6 percent of GDP respectively (in 2003 at current prices), for the EU 25 the shares are 8.8 percent and 9.9 percent. Wage moderation in the EU as a whole is likely to have only moderate effects on foreign trade but substantial effects on domestic demand. Stockhammer *et al.* (2007) find that a 1 percentage point decrease in the wage share has negative demand effect of around 0.2 percentage points of GDP in the Euro area. Thus EU collectively (not necessarily the member states, individually) has a wage-led demand regime. If this is the case, European wage policy may be in a prisoners' dilemma-type situation. While for one single country it may be expansionary to exercise wage moderation, wage moderation in all countries will have a contractionary effect. A coordination of wage bargaining across the Euro area (or the EU in general) therefore seems desirable. Then the task of the policy maker is to find out ways to overcome the technical, organizational, and political problems to make this coordination happen.

#### 4. Shift from wage-led to profit-led regime

The interpretation in the last section could sound like deriving the classical Keynesian/Kaleckian results from a model that was originally intended to synthesize Marx and Keynes. Once we look at large enough regional economies, they will turn out to be wage-led. However, Marx would remind us that this is too good a situation to last forever. When the wage share is low, it is plausible that investment is more sensitive to demand than to profits. Capitalists may be more worried about demand being sufficiently high than about

wages being too high. Then the positive domestic consumption and investment effect of a higher wage share dominates the negative profitability effect. However, would the parameters stay stable as the wage share increases? As unemployment declines below a critical level, the sensitivity of investment to profitability can increase and the profit squeeze effect might dominate, which implies a change in the parameters of the system. In particular extended periods of full employment may undermine work discipline as Kalecki (1943) had pointed out at the very beginning of the Keynesian period. Capitalists will start to worry about income distribution more than about demand – the profit sensitivity of investment will rise and the demand sensitivity will fall. It can be argued that the economies might be more wage-led during recessions and times of low capacity utilization, however they might shift to a profit-led regime during booms as the economy approaches full capacity utilization (Bhaduri and Marglin, 1990).<sup>6</sup> Marglin and Bhaduri (1990) and later Hein and Kraemer (1997) argue that the continued increase of the wage share during the 1970s, together with increasing energy prices, a decline in aggregate demand management policies and the collapse of the international currency system, was responsible for low growth in this period, but they also argue that there might have been a re-shift of regimes to a wage-led one during the 1980s. However, they do not present any econometric estimation to support this argument, and given the short-time series available for sub-periods it is difficult to test this hypothesis.

In discussing the sustainability of a regime, Bhaduri and Marglin (1990) introduce another pair of concepts: a regime is defined to be cooperative if (given a change in the wage share) both wage bill and the profit rate are moving in the same direction, and it is conflictual if they are moving in opposite directions. A wage-led regime can be cooperative, if the rate of growth in sales is large enough such that the profit sum increases enough to let the profit rate increase in spite of a decline in the profit share. That would be the case of the Keynesian social democratic utopia. However, under capitalism the social democratic utopia is not stable. The parameters would shift after a point, and the regime would become conflictual as both the profit

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<sup>6</sup> This argument is similar to Wright's (2000) argument that when labor is very weak, an increase in the organizational strength of labor may be beneficial even to capitalists as it may allow to address market failures (here: insufficient demand). However beyond a certain point an increase in workers' power will again hurt capital as the rising income claims of labor will outweigh the benefits of solving coordination problems.

share and profit rate decline along with increasing growth, real wages, and employment. A further shift in the parameters could make the system even profit-led such that as the increase in the wage share goes on, growth and employment might start decreasing. If the decline in employment or other institutional changes are sufficient enough to create a reversal of the decline in profit share, under the profit-led regime growth may recover again. A profit-led regime can also be cooperative if the growth rate is sufficient to create enough employment to offset the decline in real wages such that the wage bill increases. Apparently here the conflict would take place within the working class, i.e. between the employed, who are facing real wage erosion and the formerly unemployed, who get jobs under the new regime. Table 1 below summarizes these various possibilities.

**Table 1**  
Wage-led vs. profit-led and cooperative vs. conflictual regimes of growth

	Cooperative	Conflictual
Wage-led	Real wage, employment, wage bill ↑ profit rate ↑	Real wage, employment, wage bill ↓ profit rate ↓
Profit-led	Real wage ↓ but employment & wage bill ↑ profit rate ↑ (intra-working class conflict)	Real wage & wage bill ↓ profit rate ↑

*Note:* The table is a summary of the discussions in Bhaduri and Marglin (1990).

## 5. Conclusions and policy implications

Important policy implications follow from the model: If empirical findings point at the ineffectiveness of distribution on accumulation and employment, even if not necessarily wage-led results, we can nevertheless conclude that such economies are ‘not profit-led’. Thus, a pro-capital incomes policy is neither a necessary nor a sufficient condition to achieve higher accumulation and growth. On the contrary, the decline in domestic demand can have detrimental effects on the long term growth potential of the economy and employment. In such cases the limits in creating employment *via* low wages highlight the significance of active policies to stimulate

accumulation. Moreover, if distribution is neutral with respect to investment, then there is room for egalitarian redistribution policies, without harming the growth potential of the economy.

Are such policies available simultaneously to all countries trying to compete for a limited global market? Obviously that brings in the questions about the design of a new international system aiming at coordinated and expansionary macroeconomic policies, which would benefit not only the developing but also developed countries.

The issue of policy coordination becomes even more relevant if we take into consideration that there might be cases of small open economies, which are profit-led, and tend to engage in competitive wage dumping policies simultaneously. However, this sort of “beggar thy neighbor” policies will create a prisoners’ dilemma, where wage competition leads to sluggish global or regional demand, and a tendency for both wage share and growth to decline. That policy dilemma calls for coordinating wage policy along with macroeconomic policy. The issue is complicated, particularly as low productivity countries would see low wages as their only competitive edge. The problem can be illustrated based on the European context after Eastern Enlargement, although the issue is not much easier with regards to the divergences in the national economies of Western Europe as well. The East-West wage coordination problem illustrates one issue very clearly: redefining the rules of the game, coordinating the institutional setting of wage bargaining, incorporating productivity-led wage increases, and designing a European framework for minimum wages, working hours and conditions and tax rates is the only alternative to readjust the playground back to conditions that are fairer to labor. However labor in the East can only be convinced to stop seeing lower wages as an advantage, if there is a systematic EU policy on regional convergence and social cohesion, which requires an economically relevant EU budget. This then calls for Western workers to accept higher contributions to the EU budget in return for convincing the Eastern workers to wage coordination and achieving wage convergence in a foreseeable future.

Given that we are going through an era where declining wage share is associated with declining growth, it seems appropriate to focus on the Keynesian side of the findings: thus arguing in favor of policies to increase wage share. At the current low level of wage share at a global level, there is also room for making that happen, if we can shift the existing balance of power relations between global capital and labor. Although what Marx teaches us in terms of the

unsustainability of a Keynesian compromise in capitalism is important, from a practical point of view we can postpone this debate to a point when wage share starts rising again. Then it is the task of class struggle to decide what will happen when there will be a conflictual phase and a shift to a profit led regime in the future, i.e. whether this conflict will be resolved by capital restoring its order and increasing the profit share again under capitalism or whether there will be a systemic change, which replaces the private profit motive as the major determinant of investment with a socially coordinated decision-making mechanism.

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## Özet

### Gelir bölüşümü, büyüme ve çatışma: Toplam talep eksenli

Bu makale çeşitli ülkelerde gelir dağılımının yatırım ve büyüme üzerindeki etkilerini araştıran Post-Keynesçi ampirik çalışmalarla ilgili bir literatür taramasıdır ve bu literatürün politika uzantılarını tartışmayı hedeflemektedir. Merkezdeki soru şudur: Gerçekte ekonomiler ücret çekişli mi, kâr çekişli mi? Ana akım iktisadı örtük olarak kâr çekişli bir ekonomi varsaymakta ve neoliberal politikaları desteklemektedir. Post-Keynesçi/Kaleckici modellerin özelliği ise ücretlerin hem bir talep bileşeni, hem de maliyet unsuru olarak ikili rolüne işaret etmeleridir. Eğer bir ekonomi kâr çekişli değilse, hem büyümeyi hem de gelir dağılımını eş-anlı olarak hedefleyen politikalar olarak dahilindedir. Bununla beraber ekonomiler gerçekte dinamiktir, yani belli bir noktadan sonra artan bölüşüm çelişkisi sonucunda bir ekonominin ücret çekişli bir rejimden kâr çekişli bir rejime geçmesi de mümkündür.

*Anahtar kelimeler:* Bölüşüm, talep, yatırım, tüketim, dış ticaret, makroiktisat, Keynesgil iktisat .

*JEL sınıflandırması:* E12, E20, E22, E25, E61.