

Report on:
A Note on the Aoki-Yoshikawa Model

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The contribution of Scalas and Garibaldi to the original model of Aoki and Yoshikawa (AY hereafter) consists essentially in two main aspects. On one hand they extend the exponential equilibrium distribution of AY model to the more general Polya distribution, and, on the other hand, they introduce a dynamical dimension in the model, via the Markovian transition rates from eq. (22). The time domain aspect gives a new essential contribution to the original model, especially if someone want to confront its descriptive power with real data.

In order to conserve the aggregate demand, the authors have to introduce a rather artificial condition on the allowed movements of workers across the different sectors, which in principle would require a very strong coordination among workers. Which is the mechanism responsible for this highly coordinated system?

All in all, the paper is suitable for publication as a relevant contribution in the field of distributional approach to Macroeconomics, perfectly in line with the spirit of the original contribution of Aoki and Yoshikawa.