

ABSTRACTS

EVOLUTION OF THE COMPOSITION OF CAPITAL VALUE IN THE US DURING ITS LAST ECONOMIC BOOM

JOSÉ C. VALENZUELA FEIJÓO

This article seeks to contribute toward understanding a phenomenon that has widely attracted attention: the long period of expansion experienced in the US economy since 1991 –which only very recently (during the first half of 2001) has begun to present symptoms of fading and coming to an end. The key to any economic boom (and any crisis as well) is in the tendencies observed in the profit rate– and in this factor, the composition of capital value plays a fundamental role.

INVESTMENT, MONETARY POLICY AND EXCHANGE RATES: AN ANALYSIS OF MECHANISMS FOR TRANSMISSION FROM THE MONETARY SECTOR TO THE REAL SECTOR

RAMÓN TIRADO JIMÉNEZ

In the article presented here the author analyzes the mechanisms through which monetary policy and the variation rate of the nominal exchange rate may impact investment decisions of firms. In order to describe companies' investment behavior, the *q* model from

Tobin (1969) is used, and the way in which monetary variables can influence the costs of the replacement of capital wealth is demonstrated. The discussion in this article confronts one of the longest-lasting controversies in economic theory: the controversy over the neutrality of money. In the present model, based on individual calculation by consumers, the result is one of non-superneutrality of monetary assets. This makes it possible to demonstrate, on the one hand, that monetary variables influence investment decisions in a number of ways, and on the other hand, to demonstrate the limitations of that monetary policy for stimulating capital accumulation.

DYNAMIC ADJUSTMENT AND EQUILIBRIUM BETWEEN INDUSTRIAL PRODUCTION AND STOCK-EXCHANGE ACTIVITY IN MEXICO

FRANCISCO E. RON DELGADO

This article attempts to contribute some elements to the theoretical discussion on whether the development of the financial system and the values market, in particular, exerts an effect on the level of productive activity. There is a brief review of the different positions within this

theoretical debate and then, by using econometric procedures and procedures from multivariate statistical analysis, particularly through techniques of cointegration and equilibrium correction models, two hypotheses are contrasted: 1) that the level of development of the values market exerts a positive effect on the level of economic growth; and 2) that the price index and prices on the Mexican stock exchange and the value of industrial production maintain a relationship of equilibrium in the long term, and the first can be an effective predictor of the second.

BILATERAL EXCHANGE RATE'S NOMINAL AND REAL VARIATIONS BETWEEN MEXICO AND UNITED STATES

RAMÓN A. CASTILLO

This paper analyses nominal and real exchange variations' origin between Mexico and

United States. It shows how real and nominal shocks have influence over exchange rate. Inside this shocks, the results suggest that capital flows, including foreign direct investment, are the most relevant. Finally, this paper state that short term interest rate differentials between Mexico and United States doesn't have influence over exchange rate variations.

ECONOMY NOBEL PRIZE 2001: THE FREE MARKET DOESN'T WORK

MARÍA TERESA RODRÍGUEZ SÁNCHEZ

The research opened by Akerlof in the seventies focused on the critical analysis of the general equilibrium's instruments reaches political dimensions through Stiglitz's controversial position as Bill Clinton assessor and during his work-station in the World Bank. Besides, its political importance came from Akerlof, Yellen, Spence, Stiglitz (and others) researches, because they brought forward to present economic science, instruments capable to respond with qualitative development strategies to the "simplest" neoliberal economy policy's conclusions. This is the attempt of this paper.

