

Input-Occupancy-Output Economics

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There are some drawbacks in traditional mainstream economics, especially, it makes heavy theoretical problems because of lacking the consideration of intermediate products, such that the stagflation caused by oil crisis cannot be explained reasonably. Input-occupancy-output (IOO) techniques can be a strong tool to reform traditional economics. The accurate economic meanings of gross domestic product (GDP) can be revealed through the analysis of an input-output table, which could discover the theoretic foundation of the reform to account R & D inputs into GDP. An AS-AD model which is created by including intermediate flow quantity can interpret the stagflation issue more efficiently than the traditional theory. An dynamic equilibrium model based on the price model and basic dynamic model of IOO can reveal the phenomenons of inflation and income difference expansion following economic growth. It could be believed that the In-depth development of input-occupancy-output economics promote the formation of new modern economics paradigm.

Key words: input-output economics; input-occupancy-output; GDP, AS-AD analysis; economic growth and inflation