810 Period 11, Increasing Returns

**S**
- Any good with Ec. of Scale
- Rules of demand alteration
- Pay-off to similar tastes
- Resolution of buyer interdependence

**P**
- New infant technologies
  - a. Market
  - Cumulative growth of new industries
  - Evolution of technology
  - c. Govt. helps in transition from one technology to another
    - e.g. Static-free A.M. radio or digital TV
  - Franchise bidding
    - e.g. for CATV
  - Competition to determine who has monopoly

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**Feedback, Reinforcers & Amplifiers**

**S**
- C.C. via cognition, expectations, & effect of inequalities.
- Interaction of expectations, investment & aggregate demand.
- Interaction of poverty, education & expectations.
- Interaction of income, lobbying, & legislation.

**S**
- “Good” is:
- 1. Market.
- 2. Planning, including fiscal policy.

**P**
- 1. Deep and lasting recessions.
- 2. Recovery
- 4. More equality?
- 5. Rich get richer.
Sound Bites

QWERTY

“How can you rule a nation with 700 varieties of cheese?” De Gaulle

“OMO, It washes brighter and it shows”

Rich get richer, poor get poorer.

No equilibrium, no determinative result-----
-can you live with it?