

Plus Balanced Net Investment by Country required for the EU System to Survive : Empirical Analyses, 1990-2009

HIDEYUKI KAMIRYO*

Abstract

This paper universally applies the philosophy, zero, and dimensions born in old India to the current concept of quantum physics and element chemistry, which matches author's current endogenous system and presents methodology useful to the current world financial crisis. Once the EU top meeting reached mutual consensus with 26 countries on the December 9th, 2011, the current financial crisis will be saved. This paper proposes "one indispensable fact" that each country must have a plus net investment (gross investment > capital consumption) by country, with theoretical and empirical proofs for eighteen countries in Europe, where the above fact holds beyond Euro or Non-Euro currencies. This fact is based on the endogenous structure of the balance of payments and deficit in the endogenous-equilibrium and, reinforces the mutual consensus and thus, financial and monetary policies at the EU are sustainably integrated with the real-assets policy by country as a whole system.

I. Introduction

IT IS GOOD news that the European Union (the EU) proposed 'Fiscal Union' draft on 7th of December 7th, 2011 to strengthen the current Monetary Union. The author asserts that it should be. Further, according to Asahi newspaper dated on the December 10th, 2011 early morning of the December 9th, 2011, the EU top meeting reached mutual consensus with 26 countries except for one (the UK), starting with government agreement. This paper, to supplement the consensus among the EU member countries, boldly proposes 'unknown facts' based on the real-assets by using the endogenous-equilibrium. A few proposals here are essential to strengthen the above consensus. This is because the purpose of a system for national accounts (the SNA, 1993) is finally records-oriented in that wages are attributed to households and, profits are enterprises and corporations, where there appear no plus or minus profits/returns at the government/public sector.

* Professor Emeritus, Hiroshima Shudo University, 5-28-5, Satsukigaoka, Saeki-ku, Hiroshima 7315101, JAPAN