

Dynamic Model under Positive Labour Utility and Time Constraint

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Abstract

In this paper, we investigate a dynamic model that labour has positive utility, that we face budget constraint and time constraint, and that we need money and time at consuming goods or services. We find that there can be two steady states. One steady state is known as the only steady state of Ramsey model. At the other steady state, persons work less, consume more and accumulate assets even if the real rate of return becomes smaller than the growth rate of population.

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This work was supported by JSPS KAKENHI Grant Number JP26885082 (Grant-in-Aid for Research Activity Start-up)