$g = \pi s$ $\quad W = wE$

$\pi = \frac{Y - W}{Z}$

$g = \frac{I}{Z}$ $\quad \frac{I}{Z} = s\,\frac{Y - wE}{Z}$ $\quad Y = u \cdot K \cdot Z$

$g = \frac{u \cdot K \cdot Z - \varphi\left(L - \frac{E}{L}\right)}{Z}\, s$ $\quad w$

$Z(t+1)$ $\quad K_t = \kappa Z_t$ $\quad \frac{I}{Z} = s\,\frac{u \cdot K \cdot Z - \varphi E\left(1 - \frac{E}{L}\right)}{Z}$

$L_t = L_0 e^{\alpha t + \beta t}$

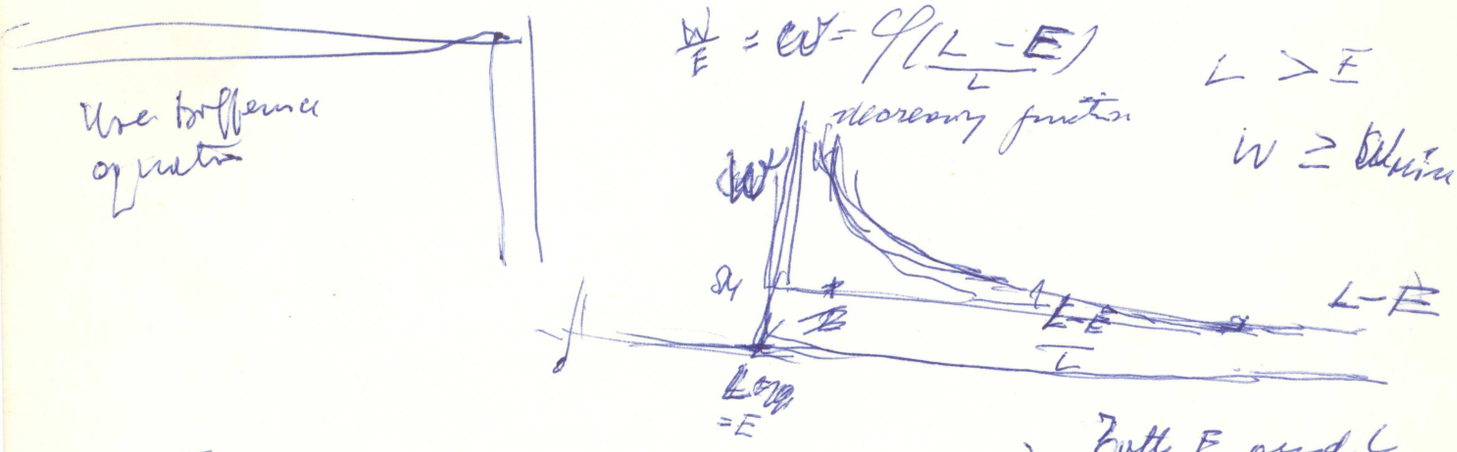
$Z_t = Z_0 e^{gt}$

$\Delta\left(\frac{L-E}{L}\right) = \pi' - g$

$\frac{W}{E} = w = \varphi\left(\frac{L-E}{L}\right)$ $\quad L > E$

decreasing function $\quad w \geq$ subsistence

Use boffence equation



$I \to \Delta K \to \Delta E$

decay: $\mu K \to$

$I \to \Delta L$!!!

both E and L are function of I

But effect on L depends on the form of investment (deepening)

Harrod's warranted rate) growth (wider outlook)

$g = \frac{Y - W}{Z}\, s =$ $\quad (Y - W)s = I$

$= \frac{Y - W}{YC} \cdot Ks$ $\quad (Y - wE)s = I = gZ$

$\Delta K = F(w) = F(\varphi(\frac{L-E}{L}))$

$r = \frac{\Delta E}{E}$