Διόρθωση από τήν εργασία

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2. The theoretical MDGLES model

In the DGLES model we assume that the "minimum required expenditure" depends only on the last period expenditrures (the well-know habit formation hypothesis in the consumer demand theory) [equation 2]. This defect of the DGLES model, when we believe that habits do not last only one period, can be corrected by the MDGLES model where we assume that

$$\tilde{e}_{it} = P_{it}\gamma_i = P_{it}Y_i^* + \alpha_i\mu e_{it-1} + \alpha_i\mu^2 e_{it-z} + \ldots + \alpha_i\mu^N e_{it-N} \qquad (19)$$

$(i=1, ..., n; t=1, ..., \tau; \nu=1, ..., N)$,

where $\tilde{e}_{it}$ is the "minimum requlred expenditure" for commodity *i,* e_{it-1}, e_{it-2}..., $e_{it\text{-N}}$ are tha past periods expenditures for commodity *i,* and γ_i^*'s, α_i's are parameters and the parameter μ is determined by Koyck's specification.

$$\kappa_{\nu i} = \alpha_i\mu^\nu \; (i=1, ..., n; \nu=0, ..., N) \qquad (20)$$

with $0 \leq \mu \leq 1$.

Using equation (20) into (19) we have