

Uniqueness and indeterminacy - The Dynamics of the Ramsey Model

Constantin Chilarescu (Laboratory CLERSE, University of Lille1, France)
Ioana Viasu (West University of Timisoara, Romania)

The main aim of this paper is to prove that the economy described by the Ramsey model reaches the unique steady-state equilibrium, for any starting value of per-capita consumption, contrary to the paper of Smith, where he claims that given the initial capital stock k_0 there is a unique value of initial per-capita consumption c_0 that will satisfy the transversality condition.