

## Twitter Thread by Alberto Bagnai



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**The assumption that public consumption is not expansionary is amateurish. A simple counterexample: wages in public education sector, i.e. INVESTMENT IN HUMAN CAPITAL, are classified as public “consumption”.**

Italy\u2019s first priority must be growth and employment - not fiscal consolidation per se. A fiscal stimulus might be helpful, IF spending is focused on those objectives, and not on public consumption. [#in /1](#)

<https://t.co/zLDWBIF96U> via [@financialtimes](#)

— Marcel Fratzscher (@MFratzscher) [October 19, 2018](#)

This simple accounting fact, routinely ignored in the debate, contributes to the explanation of these apparently “counterintuitive” results: <https://t.co/ARDBbYvSiS>

Another point is that, regardless of what most pre-Keynesian economists believe, demand and supply are NOT two distinct and separate worlds. Demand feeds back into supply, with some consequences: <https://t.co/ne0fb6umev>