## Contents

List of Figures	ix
List of Tables	xii
Contributors	xiii
Part I. Introduction	
1. Introduction  Bjarne S. Jensen and Kar-yiu Wong	3
2. Endogenous Growth and International Trade: A Survey Ngo Van Long and Kar-yiu Wong	11
Part II. Dynamics of Basic Trade Models	
3. General Equilibrium Dynamics of Basic Trade Models for Growing Economies  Bjarne S. Jensen and Chunyan Wang	77
4. Endogenous Growth, Trade, and Specialization under Variable Returns to Scale: The Case of a Small Open Economy Ngo Van Long, Kazuo Nishimura, and Koji Shimomura	127
5. Dynamic Foundations for the Factor Endowment Model of International Trade  Oded Galor and Shoukang Lin	151

Part III. Growth and Trade with Endogenous Accumulation of Human or Public Capital	
<ol> <li>Public and Private Capital in an Endogenously Growing Open Economy</li> <li>Stephen J. Turnovsky</li> </ol>	171
7. Trade and Growth with Endogenous Human and Physical Capital Accumulation  Eric W. Bond and Kathleen Trask	211
Part IV. Economic Growth, Technological Progress, and International Trade	
8. Efficiency and Productivity in Rich and Poor Countries Rolf Färe and Shawna Grosskopf	243
9. Interpreting East Asian Growth Pham Hoang Van and Henry Y. Wan, Jr.	265
Part V. Dynamics, Economic Growth, and International Factor Movement	
10. Endogenous Growth and International Labor Migration: The Case of a Small, Emigration Economy Kar-yiu Wong	289
11. The Human Capital Dimension to Foreign Direct Investment: Training, Adverse Selection, and Firm Location Theo S. Eicher and Pantelis Kalaitzidakis	337

## List of Figures

Chapter	2
1	Growth in the neoclassical model
2	Growth in the Solow-Pitchford model 20
3	Growth in the presence of international capital movement $59$
Chapter	3
1	Wage-rental ratio, factor allocation, sector outputs, and trade patterns with proportional saving and given terms of trade
2	The director function, $h(k)$ , (27), with proportional saving and alternative parameter intervals for $n/s$ 87
3	Phase diagrams and alternative shapes of $f_i(k_i)$ 89
4	Rapidity of endogenous growth of per capita income. Bounded, polynomial, and exponential growth 92
5	The director function, $h(k)$ , (58), with parameter intervals for $s$
6	Dynamics of a small trading economy with optimal saving and exogenous labor growth
7	Phase portrait of (128)–(129) and the conditions (137)–(139)
	The positive invariant region, $W_{\alpha}$ , with endogenous (persistent) per capita growth
C	The shape and location of nullclines, $\dot{k}_A=0, \ \dot{k}_B=0,$ for the dynamic system (128)–(129) of two large trading economies
Chapter	4
1	The graph of $G(z)$
2	The production function of good $j$
3	The graphs of $pG[F^1(K,\bar{L})]$ and $G[F^2(K,\bar{L})]$ 136
4	The GNP function

A A	1.1 The Rybczynski line corresponding to $F^1$ and $F^2$
A.	6 The switching point
Chapt	ter 6
	1 Stable adjustment paths for growth rates of public and private capital
	economy
	2 capital: Decentralized economy . 197
Chapte	er 7
2	Factor prices satisfying intertemporal arbitrage and zero profits: Efficient specialization in $Y$ and $Z$ on segment $AB$ and specialization in $X$ and $Y$ on segment $BE$
3	Relationship between capital/labor ratios and $p_X$ on the BGP
Chapte	r 8
1	Efficiency level vs. Y/P for 17 countries 1975–1989 247  The output oriented Molecular in the countries 1975–1989 247
2	r - original manner product
3	1975–1989
4	
5	OJ CALCULAC VA. AVERAGO V / D F 1 =
6 7	
8	
_	
10	Final and intermediate output

List of Figures xi

Chapte	r 9
1	Causal links
2	Innovation
3	Emulation
4	Evolution of envelopes
5	The two worlds
6	Staged technology transfer
7	Product cycles
8	Accumulation is decided by technology 280
Chapte	r 10
1	Balanced path of a closed economy
2	Balanced path with permanent migration 308
3	Adjustment under permanent migration 313
4	Balanced path with brain drain
5	Balanced path with temporary migration 323
6	Choosing between permanent migration, brain drain, and
	temporary migration
Chapter	r 11
1	Average efficiency cost $(AEC)$ and wages $(w)$ for different levels of technology $(A) \ldots 349$
2	Trade induced changes in $AEC$ for countries that differ only in human capital endowments $(H) \ldots 352$
3	Trade induced changes in AEC for countries that differ
	in human capital and in technology
4	Dynamics of endogenous R&D and technology adoption . 359

## List of Tables

Chapter	3	
1	Dynamics of a small trading economy with constant returns to scale technologies	113
Chapter	8	
1	Malmquist output based productivity: Average annual changes: 1975–1990	253
2	Disaggregated cumulative results: 1975–1990	254