

Contents

Part 1. Introduction

1. Division of Labor and Corner Solutions in Positive Trade Theory 3
Christis G. Tombazos

Part 2. Origins of Inframarginal Applications to Trade Theory

2. Economics and Biology: Specialization and Speciation 19
Hendrik S. Houthakker
3. Substitution and Division of Labour 29
Sherwin Rosen
4. Trade and Insurance with Moral Hazard 53
Avinash Dixit
5. Trade and Insurance with Imperfectly Observed Outcomes 75
Avinash Dixit

Part 3. Exogenous Comparative Advantage: Corner Solutions in the Heckscher-Ohlin and Ricardian Models of Trade

6. An Inframarginal Analysis of the Ricardian Model 87
Wen Li Cheng, Jeffrey Sachs and Xiaokai Yang
7. A Ricardian Model with Endogenous Comparative Advantage and Endogenous Trade Policy Regimes 109
Wen Li Cheng, Meng-Chun Liu and Xiaokai Yang
8. A General-Equilibrium Re-Appraisal of the Stolper-Samuelson Theorem 131
Wen Li Cheng, Jeffrey Sachs and Xiaokai Yang

Part 4. Division of Labor in Models of Trade with Economies of Scale

9. A Ricardo Model with Economies of Scale 153
Ralph E. Gomory

10. Pattern of Trade and Economic Development in a Model of Monopolistic Competition	185
<i>Jeffrey Sachs, Xiaokai Yang and Dingsheng Zhang</i>	
11. Market Led Industrialization and Globalization	223
<i>Jeffrey Sachs and Xiaokai Yang</i>	
Part 5. Economies of Specialization and Endogenous Comparative Advantage	
12. Specialization and Product Diversity	249
<i>Xiaokai Yang and He-Ling Shi</i>	
13. Endogenous vs. Exogenous Comparative Advantage and Economies of Specialization vs. Economies of Scale	261
<i>Xiaokai Yang</i>	
14. A New Theory of Demand and Supply and Emergence of International Trade from Domestic Trade	291
<i>Xiaokai Yang</i>	
15. Walrasian Equilibrium Computation, Network Formation, and the Wen Theorem	325
<i>Shuntian Yao</i>	
Part 6. Inframarginal Analysis of Trade Policy, Dual Structures, and Globalization	
16. Globalization, Dual Economy, and Economic Development	349
<i>Jeffrey Sachs, Xiaokai Yang and Dingsheng Zhang</i>	
17. Endogenous Structure of the Division of Labor, Endogenous Trade Policy Regime, and a Dual Structure in Economic Development	383
<i>Xiaokai Yang and Dingsheng Zhang</i>	
Part 7. Dynamic Inframarginal Analysis of Trade Models with Endogenous Comparative Advantage	
18. A Microeconomic Mechanism for Economic Growth	409
<i>Xiaokai Yang and Jeff Borland</i>	

19. Specialization and a New Approach to Economic Organization and Growth	437
<i>Jeff Borland and Xiaokai Yang</i>	
20. Specialization, Information, and Growth: A Sequential Equilibrium Analysis	447
<i>Yew-Kwang Ng and Xiaokai Yang</i>	
21. Evolution in Division of Labor and Macroeconomic Policies	475
<i>Junxi Zhang</i>	
22. Division of Labor, Money and Economic Progress	491
<i>Wen Li Cheng</i>	
Index	515