

# Contents

|                                                                                                                        |     |
|------------------------------------------------------------------------------------------------------------------------|-----|
| Contributors                                                                                                           | xi  |
| RALPH LANDAU, TIMOTHY TAYLOR, AND<br>GAVIN WRIGHT                                                                      |     |
| Introduction                                                                                                           | I   |
| <i>Part I: Overviews of Economic Growth and Development</i>                                                            |     |
| MOSES ABRAMOVITZ AND PAUL A. DAVID                                                                                     |     |
| Convergence and Deferred Catch-up: Productivity<br>Leadership and the Waning of American Exceptionalism                | 21  |
| LAWRENCE J. LAU                                                                                                        |     |
| The Sources of Long-Term Economic Growth:<br>Observations from the Experience of Developed and<br>Developing Countries | 63  |
| HENRY S. ROWEN                                                                                                         |     |
| World Wealth Expanding: Why a Rich, Democratic,<br>and (Perhaps) Peaceful Era Is Ahead                                 | 92  |
| <i>Part II: The Macroeconomic Context</i>                                                                              |     |
| JOHN B. TAYLOR                                                                                                         |     |
| Stabilization Policy and Long-Term Economic Growth                                                                     | 129 |
| SYLVESTER J. SCHIEBER AND JOHN B. SHOVEN                                                                               |     |
| Population Aging and Saving for Retirement                                                                             | 150 |

## A. MICHAEL SPENCE

- Science and Technology Investment and Policy  
in the Global Economy 173

*Part III: International Exchange and Economic Growth*

## ANNE O. KRUEGER

- Threats to 21st-Century Growth: The Challenge  
of the International Trading System 191

## RONALD I. MCKINNON

- Dollar and Yen: The Problem of Financial  
Adjustment Between the United States and Japan 215

## MASAHIKO AOKI

- An Evolutionary Parable of the Gains from  
International Organizational Diversity 247

*Part IV: The Institutional Setting for Economic Growth*THOMAS J. CAMPBELL, DANIEL P. KESSLER,  
AND GEORGE B. SHEPHERD

- Liability Reforms and Economic Performance 267

## MYRON S. SCHOLES

- Financial Infrastructure and Economic Growth 281

*Part V: Structural and Supportive Policies—Technology*

## LINDA R. COHEN AND ROGER G. NOLL

- Privatizing Public Research:  
The New Competitiveness Strategy 305

## NATHAN ROSENBERG

- Uncertainty and Technological Change 334

*Part VI: Performance of Key Industries*

## TIMOTHY F. BRESNAHAN AND

## SHANE GREENSTEIN

- The Competitive Crash in Large-Scale Commercial  
Computing 357

RALPH LANDAU

|                                                                     |     |
|---------------------------------------------------------------------|-----|
| Strategy for Economic Growth: Lessons from<br>the Chemical Industry | 398 |
| References                                                          | 423 |
| Index                                                               | 451 |