Index

Abramovitz, M. 141, 147
absolute income hypothesis (Keynes)
saving and income models and,
macroeconomics of developing
countries 247, 248
see also income
accounting
growth, neoclassical approach and
nature of growth and 145–7
advanced countries
aggregate production function and,
MRW model 155
capital accumulation and 137
competition policy 230–33
growth and, neoclassical approach
145, 155
growth and technology and 142–3
Keynes and open economies and 71
multilateral competition policy versus
international competition
authority and 234, 235, 239
persistence coefficients in 213
productivity growth in 54
short-run and long-run macro-
economic developments 163–6, 176
turnover rates in 214–15
unemployment, flexible exchange rates
and 75
see also EU; Japan; NICs; USA
Africa
development issues, Thirlwall’s Law
and 5, 21–2, 40–42
development effectiveness, financ-
ing gap and 34–6
global competition, income
dimension of 36–40
growth 27–34
poverty 26–7, 29–34
growth and, neoclassical approach
143–4, 155
open economies and 77
see also individually named countries
aggregate demand
growth cycles and 82–3, 92–3
empirical methodology 85–8
mechanisms 83–5
results 88–92
see also demand
aggregate demand policy
endogenizing, extending traditional
Keynesian macroeconomic theory
and 171–3
aggregate production function
long-run and 168
neoclassical approach and nature of
growth and 151–5
Solow model and 140
see also production function
aggregate supply
endogenizing, extending traditional
Keynesian macroeconomic theory
and 173–6
Aghion, P. 82, 129
aid
Thirlwall’s Law and 34–5, 41
AK model
EGT and 117–18, 119
America see Latin America; United
States of America
Arestis, Philip 7–8, 129
Argyrous, G. 96–7, 103, 112
Arndt, H.W. 268
Arrow, J.K. 83
Asia
competition and competition policy in
emerging markets and 208, 210,
217–18, 229
growth and, neoclassical approach
142, 155
see also individually named countries;
NICs

281
assymetry
  growth and cycles and 86–7, 88–9, 90, 92
Auerbach, A.J. 138
Audretsch, D. 231
authority
  budgetary, proposed European 187–8
  competition, proposed international 234–9
Aw, B. 218
Baker, Jonathan 231
balance-of-payments
  constrained growth model see BPC
  equilibrium growth model see Thirlwall’s Law
Bangladesh
  Keynes’ influence on development economics and 276
banks see ECB; World Bank
Barro, R.
  economic growth and 145
  EGT and 120, 121, 129
  investment nature and productivity growth and 127
  technology assumption on returns to scale and 123, 125
Basu, S. 125
Baumol, W. 218, 231
Bean, C.R. 129
Belgium
  SGP and 181
  see also EU
benefits
  mergers, competition policy in emerging markets and 222–6
Benhabib, J. 129
BEPGs (Broad Economic Policy Guidelines)
  EU enlargement and, macroeconomic framework 192, 196–8
  see also economic policy
Blanchard, O. 166, 177
Blinder, A. 168
Blomstrom, M. 138
BPC (balance-of-payments-constrained) growth model
  Palley’s challenge to Thirlwall’s Law and 50–51
  actual and potential rates of growth in, reconciling 51–6
  extensions to literature on 49
  states 48
  see also Thirlwall’s Law
Brown, M. 151
budgetary policy
  SGP and 181–2, 182–3, 186–9
Bulgaria
  EU enlargement and 193
Burchardt, Frank 267
Burke, A. 231
Burmeister, E. 151
Caballero, R.J. 85
Camerer, C. 200
Caner, M. 85–6, 87–8
capital
  EGT and 117, 126
  technology assumption on returns to scale and 123
  see also human capital; investment
capital accumulation
  EGT and 127
  neoclassical approach and nature of growth and 137–9
capital flows
  EU enlargement and, macroeconomic framework 193–4
  international monitoring, Keynes and open economies and 73–4
capital–labour ratio
  aggregate production function and, Solow model 140
  human capital and 141, 142–3
  savings ratio and 143–4
  technology and 140, 141–2
  see also labour
CC (cumulative causation)
  historical growth modelling and, Kaldor 96–7, 98–9, 100–101, 112
  see also DT model; Setterfield, extended cumulative growth framework
CEPR (Centre for Economic Policy Research)
  new Keynesian macroeconomics and 168
Cesaratto, S. 147
Chan, K.S. 86
Chang, Ha-Joon 199
Chenery, H. 144
China
competition and competition policy in emerging markets and 218, 221
Keynes’ influence on development economics and 276–7
open economies and 70, 77
see also Asia
Chung, S. 218
closed economies
cycles and growth in 7
EGT and 120
Cobb–Douglas production function
aggregate production function and 153
EGT and 119, 121–2, 129, 131
‘new’ growth theory and 147, 149
Solow model and 140–41, 142
see also production function
Cohen, A. 151
competition
emerging markets, in 209–15, 239–40
economic development and 216–18
flexible exchange rates and, facts versus theory 70–72
global, income dimension of, Thirlwall’s Law and Africa 36–40
competition policy
advanced countries, in 230–33
emerging markets, in 9, 215–16, 239–40
development and 216, 228–30, 233–4
international context 207–9
international merger wave and 219, 220–28
multilateral, international competition authority versus 234–9
concentration ratios
emerging markets, in 210–11
Cornwall, John
growth rate reconciliation problem and 49, 50, 54
historical growth modelling and 106, 109
macroeconomic theory and 8, 166
Cornwall, W. 54, 106, 109, 166

costs
mergers, competition policy in emerging markets and 222–6
see also expenditure
Crouch, C. 198
CUDIE (cumulated, depreciated, investment effort)
capital accumulation and 139
see also investment
cycles see growth cycles
Davidson, Paul 6–7
De Grauwe, Paul 185, 195
debt
public, SGP and 181–2
service impact on growth and poverty, Thirlwall’s Law and Africa 29–32
sustainability and growth and poverty, Thirlwall’s Law and Africa 27–9
DeLong, J.B. 138
demand
world, fiscal policy and, EU enlargement 195–6
see also aggregate demand; import demand
Demetriades, O.P. 129
Denison, E.F. 145
deregulation
competition policy in emerging markets and 219
developed countries see advanced countries; NICs
developing countries
aggregate production function and, MRW model 155
growth and technology and 142–3
Keynes’ legend and 271–2
multilateral competition policy versus international competition authority and 235
open economies and 79
saving, income and macroeconomic models in Post-Keynesian tradition 247–8, 261
investment, employment and adjustment 257–60
saving, income distribution and inflation and 253–7
savings rate and per capita income levels 248–53
turnover rates in 213–15
see also emerging markets; HIPCs
development
competition in emerging markets and 216–18
competition policy in emerging markets and 216, 228–30, 233–4
economics, Keynes’ influence on see development economics
Kremer’s O-ring theory 141
planning see development planning see also Africa, development issues
development economics
Keynes’ influence on 264, 277–8
historical Keynes 273–7
indirect 265–70
legend of Keynes 270–73
development planning
Harrod–Domar model and 276
Keynes’ indirect influence on early development economics and 268–9
policy implications, Thirlwall’s Law and 41–2
Dhumale, R. 209, 233–4
dichotomies
new Keynesian macroeconomic theory 167
Dixon, R.J. 16, 84
see also DT model
Domar, E. 137, 174
see also Harrod–Domar model
DT (Dixon–Thirlwall) model described 97–8
historical growth modelling and 96–7
limits of Setterfield’s framework and 103, 104, 106
unstable dynamics and 99–101
see also CC; Dixon, R.J.; Thirlwall, A.P.
Dutt, A.K. 117–18, 120
Easterly, William
aggregate production function and 155
capital accumulation and 137, 138
financing gap and development effectiveness and 34
growth accounting approach and 145, 146
historical Keynes and 276
human capital and 144
‘new’ growth theory and 150
Eastern Europe
competition and competition policy in emerging markets and 217, 228
ECB (European Central Bank)
EU enlargement and, macroeconomic framework 192–3
SGP and 181, 187
see also EU
ECOFIN (Economic and Financial Council of Ministers)
SGP and 180, 185, 186, 188
see also EU
economic development see development economic policy
guidelines, EU enlargement and 196–8
making, EU 9
see also monetary policy
education
technology and human capital and, neoclassical growth theory 142, 144
effectiveness
development, financing gap and, Thirlwall’s Law and Africa 34–6
EGT (endogenous growth theory)
empirical evidence 128–31
‘new growth theory’, as 116–22, 131–2, 136
productivity growth, investment and 126–8
returns to scale, technology assumption on 122–6
Thirlwall’s contribution to (growth theory) 116
Thirlwall’s contributions 7–8
see also growth theory
Elliott, D.R. 29
Elliott, G. 87
emerging markets
competition 209–15, 239–40
economic development and 216–18
competition policy 215–16, 239–40
advanced countries, in 230–33
development and 216, 228–30, 233–4
international context 207–9
international merger wave and 219, 220–28
multilateral, international competition authority versus 234–9
see also developing countries
employment see unemployment
Enders, W. 86
Engel’s law
income elasticity of demand and 79
summarized 24
EPZs (export processing zones)
policy implications, Thirlwall’s Law 42
see also exports
errors
commission, of, macroeconomic theory 169–70
EU (European Union)
competition and competition policy in emerging markets and 227–8
competition policy 231
economic policy-making 9
enlargement
economic policy guidelines 196–8
financial framework 191–2, 198–202
macroeconomic framework 191–6
see also individually named member states; advanced countries; ECB; ECOFIN; European Commission; European Competition Commission; European Confederation Treasury; SGP
Euler equation
savings rate and per capita income levels and 249, 250
Europe see Eastern Europe; EU
European Commission
EU enlargement and 196
SGP and 186, 188
see also EU
European Competition Commission
international merger movement and developing countries and 227–8
see also EU
European Confederation Treasury
proposed, aims and objectives 186–7
see also EU
Evans, P. 129
exchange rates
flexible, open economies and 75–7
Keynes and open economies and 72–3, 74–5
monetary policy and, EU enlargement 192–4
see also foreign exchange
expenditure
function of, import demand as 62–5
gross, import demand as function of 6, 60–61
see also costs
exports
policy implications, Thirlwall’s Law 40–41
promotion, central to fight against poverty, Thirlwall’s Law and Africa 26–7
see also EPZs
FDI (foreign direct investment)
mergers and 221
multilateral competition policy versus international competition authority and 236
see also investment
Felipe, J. 151, 154, 155
Fernald, J.G. 125
financial framework
EU enlargement 191–2, 198–202
financing gap
development effectiveness and,
Thirlwall’s Law and Africa 34–6
Fine, B. 131, 136
fiscal policy
EU enlargement and 194–6
Fisher, F.M. 151, 152, 153
Fitoussi, Jean-Paul 182
Fitzgerald, Valpy 9–10, 258, 259, 266
Forder, J. 195
foreign exchange
Thirlwall’s Law and 35
see also exchange rates
France
SGP and 8, 180
see also EU
Frankel, M. 136
Friedman, Milton 72
FSAP (Financial Services Action Plan)
EU enlargement and, financial framework 199
function
expenditure, of, import demand as 62–5
Growth and economic development

gross expenditure, of, import demand
as 6, 60–61
hyperbolic, savings rate and per capita
income levels, developing
countries 249
income, of, import demand as 61–2,
65–6
see also aggregate production
function; Cobb–Douglas produc-
tion function; production function

GDP (gross domestic product)
advanced countries’ short-run and
long-run macroeconomic
developments and 163–6
investment–output ratio and 138
SGP and 183
Thirlwall’s Law and 24

Germany

growth and, neoclassical approach 138
growth cycles and aggregate demand
and 86–7, 88, 89, 90–92
open economies and 70, 76
SGP and 8, 180, 185
see also EU

Gibson, Heather D. 9, 16, 193, 198
Glen, J. 211, 213

globalization

competition, income dimension of,
Thirlwall’s Law and Africa 36–40
competition policy in emerging
markets and
context 207–9
mergers and 219, 220–28
multilateral, international competi-
tion authority versus 234–9
see also open economies

Gort, M. 220
Grahl, J. 200, 201
Granger, C.W.J. 86
Greece

EU enlargement and 193
SGP and 181
see also EU

Greenaway, David 13–14

growth
debt service impact on, Thirlwall’s
Law and Africa 29–32
debt sustainability and, Thirlwall’s
Law and Africa 27–9

HIPC initiative impact on, Thirlwall’s
Law and Africa 32–4
historical, modelling see historical
growth, modelling

Kaldor’s model 7

nature of, neoclassical approach and
see neoclassical growth theory,
nature of growth and
productivity see productivity growth
unemployment and, traditional
Keynesian macroeconomic theory
and 175–6

growth accounting
neoclassical approach and nature of
growth and 145–7

growth cycles
aggregate demand and 82–3, 92–3
dependent empirical methodology 85–8
mechanisms 83–5
results 88–92
see also RBCs

growth rates
act and potential, reconciling in BPC
growth model, Palley’s challenge
to Thirlwall’s Law and 51–6
reconciling, supply- and demand-led
theories and 49–50

growth theory
‘new’

EGT as 116–22, 131–2
neoclassical approach to growth and
147–51
Thirlwall’s contribution to 116
see also EGT; neoclassical growth
theory

Gugler, K. 224
Gunter, B.G. 29, 32
Gylfason, T. 150

Hall, R.E. 85
Hammour, M. 85
Hansen, B.E. 85–6, 87–8
Harcourt, G.C.

aggregate production function and 151
EGT and 126
historical Keynes and 276
income as function of gross expendi-
ture and 6, 60
Keynes’ influence on development
economics and 264
<table>
<thead>
<tr>
<th>Term</th>
<th>Page(s)</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Harrod, Roy F.</td>
<td>137, 270</td>
<td></td>
</tr>
<tr>
<td>Harrod–Domar model</td>
<td></td>
<td>capital accumulation and 137–8</td>
</tr>
<tr>
<td></td>
<td></td>
<td>development planning and 276</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EGT and 118</td>
</tr>
<tr>
<td></td>
<td></td>
<td>financing gap and development</td>
</tr>
<tr>
<td></td>
<td></td>
<td>effectiveness and 34</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Solow model contrasted 139 see also Domar, E.</td>
</tr>
<tr>
<td>Harrod foreign trade multiplier</td>
<td></td>
<td>summarized 24</td>
</tr>
<tr>
<td>Hartley, J.E.</td>
<td>153</td>
<td></td>
</tr>
<tr>
<td>Hassett, K.A.</td>
<td>138</td>
<td></td>
</tr>
<tr>
<td>Hicks-neutral technical change</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>growth accounting approach and 145, 146</td>
</tr>
<tr>
<td>Hicks super-multiplier</td>
<td></td>
<td>summarized 24</td>
</tr>
<tr>
<td>Hill, T.P.</td>
<td>138</td>
<td></td>
</tr>
<tr>
<td>HIPC initiative</td>
<td></td>
<td>difficulties with 28–9</td>
</tr>
<tr>
<td></td>
<td></td>
<td>impact on growth and poverty, Thirlwall’s Law and Africa 32–4</td>
</tr>
<tr>
<td>HIPCS (Heavily Indebted Poor Countries)</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>debt service impact on growth and poverty and 29–32</td>
</tr>
<tr>
<td></td>
<td></td>
<td>see also developing countries</td>
</tr>
<tr>
<td>Hirschman, Albert</td>
<td>271</td>
<td></td>
</tr>
<tr>
<td>historical growth</td>
<td></td>
<td>modelling 96–7, 111–12</td>
</tr>
<tr>
<td></td>
<td></td>
<td>cumulative processes, ahistorical nature of 97–101</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Setterfield’s extended cumulative framework 101–11</td>
</tr>
<tr>
<td></td>
<td></td>
<td>see also growth</td>
</tr>
<tr>
<td>Holmstrom, B.</td>
<td>220</td>
<td></td>
</tr>
<tr>
<td>Howitt, P.</td>
<td>82, 129</td>
<td></td>
</tr>
<tr>
<td>Hsieh, C.-T.</td>
<td>146</td>
<td></td>
</tr>
<tr>
<td>human capital</td>
<td></td>
<td>Solow model and 139–44</td>
</tr>
<tr>
<td>Hussain, Mohammed Nureldin</td>
<td></td>
<td>capital accumulation and 138</td>
</tr>
<tr>
<td></td>
<td></td>
<td>debt service impact on African growth and poverty and 29</td>
</tr>
<tr>
<td></td>
<td></td>
<td>financing gap and development effectiveness and 34</td>
</tr>
<tr>
<td>HIPC initiative impact on African growth and poverty reduction and</td>
<td></td>
<td>income dimension of global competition and 36</td>
</tr>
<tr>
<td></td>
<td></td>
<td>pupil, collaborator and friend of Thirlwall, as 5, 17</td>
</tr>
<tr>
<td></td>
<td></td>
<td>savings rate and per capita income levels and 249</td>
</tr>
<tr>
<td></td>
<td></td>
<td>hyperbolic function</td>
</tr>
<tr>
<td></td>
<td></td>
<td>savings rate and per capita income levels, developing countries 249 see also function</td>
</tr>
<tr>
<td>ICA (international competition authority)</td>
<td></td>
<td>proposed, characteristics and responsibilities 237–9, 240</td>
</tr>
<tr>
<td>ICTSD (International Centre for Trade and Sustainable Development)</td>
<td></td>
<td>competition policy and developing countries and 208</td>
</tr>
<tr>
<td></td>
<td></td>
<td>import demand</td>
</tr>
<tr>
<td></td>
<td></td>
<td>function of expenditure, as 62–5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>function of gross expenditure, as 6, 60–61</td>
</tr>
<tr>
<td></td>
<td></td>
<td>function of income, as 61–2, 65–6 see also demand</td>
</tr>
<tr>
<td>income</td>
<td></td>
<td>absolute, Keynes’ hypothesis 247, 248</td>
</tr>
<tr>
<td></td>
<td></td>
<td>distribution, saving and inflation and 253–7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>function of, import demand as 61–2, 65–6</td>
</tr>
<tr>
<td></td>
<td></td>
<td>global competition and, Thirlwall’s Law and Africa 36–40</td>
</tr>
<tr>
<td></td>
<td></td>
<td>per capita levels, savings rate and 248–53</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Independent Commission on International Development Issues legend of Keynes and 272</td>
</tr>
<tr>
<td>India</td>
<td></td>
<td>capital–labour ratios 140</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Keynes’ influence on development economics and 276–7</td>
</tr>
<tr>
<td></td>
<td></td>
<td>open economies and 70, 77</td>
</tr>
<tr>
<td></td>
<td></td>
<td>industrial countries see advanced countries; NICs</td>
</tr>
<tr>
<td>inflation</td>
<td></td>
<td>advanced countries’ short-run and long-run macroeconomic developments and 163–6</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
fiscal policy and, EU enlargement 195
flexible exchange rates and, facts
versus theory 75
income distribution and saving and
253–7
interest rates
SGP and 182
internationalization see globalization
investment
EGT and 117
productivity growth and, EGT 126–8
see also capital; CUDIE; FDI
investment–output ratio
capital accumulation and 137–9
technology and human capital and
139–40
Ireland
open economies and 77
see also EU
Italy
SGP and 181
see also EU
Japan
competition and competition policy in
emerging markets and 217
competition policy 231–3
open economies and 70, 76
see also advanced countries; Asia
Jones, C.I. 129, 149
Jones, H.G. 143
Kaldor, N.
aggregate demand and growth and 84
CC and 96–7, 98–9, 100–101, 112
economic growth and 146, 148, 150
EGT and 122
growth model 7
historical growth modelling and
103–4, 105
paradox 24
see also Verdoorn law
Kalecki, Michal 267, 268
Kaplan, S. 220
Karmel, P.H. 60
Kay, J. 201
Kennedy, Charles 16, 60, 61
Kenny, C. 139
Keynes, John Maynard
absolute income hypothesis 247, 248
aggregate demand function and 61,
65–6
development economics, influence on
see development economics
import demand as function of gross
expenditure and 62
influence of 10
open economies and 68, 69–75
paradox 69
Keynesian macroeconomic theory see
macroeconomic theory
King, R.G. 129
knowledge
EGT and 123, 126
Kocherlakota, N.R. 129
Kremer, M. 141
labour see capital–labour ratio; human
capital
labour productivity
advanced countries’ short-run and
long-run macroeconomic
developments and 163–6
technology assumption on returns to
scale and 125
see also productivity
Laffont, J.-J. 210, 228–9
Lahouel, M. 235
Latin America
competition and competition policy in
emerging markets and 228
growth and, neoclassical approach 145
open economies and 77
Lau, S.-H.P. 129
LBD (learning by doing)
growth and cycles and 83, 84, 90, 92
LDCs (less developed countries) see
developing countries
Lee, K. 211, 213
León-Ledesma, Miguel A.
BPC growth model and, Palley’s
pitfall’s 50
collaborator of Thirlwall, as 17
cycles and growth and 7, 82–3, 84
EGT and 130–31
macroeconomic theory and 173
Levine, R.
aggregate production function and 155
capital accumulation and 138
EGT and 129
growth accounting approach and 145, 146
neoclassical growth theory and 136
Lewis, Arthur 136, 269
liberalization see globalization
Lipsey, R.E. 138
long run
macroeconomic theory and 8
new Keynesian 168–9
traditional Keynesian 172–3
Lucas, R.E. 82, 123, 140, 149
Maastricht Treaty see Treaty of Maastricht
macroeconomic framework
EU enlargement 191–6
macroeconomic models
import demand in, specifying see import demand
macroeconomic theory
core of 162–6, 176–7
errors of commission 169–70
new Keynesian 167–9
traditional Keynesian 170–76
short-run and long-run processes 8
Mandelbaum, Kurt 265–6
Mankiw, N.G.
growth accounting approach and 146
human capital and 144
macroeconomic theory and 168
neoclassical growth theory and 135
Solow model and 140–41, 142
see also MRW model
market dominance
definition variations 215–16
markets, emerging see emerging markets
Marshall–Lerner condition
summarized 24
Maskus, K. 235
Massaro, Vincent 61
Mayer, C. 201
McCombie, John S. L.
aggregate production function and 154, 155
collaborator of Thirlwall, as 16
macroeconomic and financial framework for EU enlargement and 202
neoclassical growth theory and 8, 136
Thirlwall’s Law and 38, 48, 49
Meade, James 267
medium run
traditional Keynesian macroeconomic theory and 172–3
mergers
benefits and costs of 222–6
international, competition policy in emerging markets and 219, 220–28
Metcalfe, J.S. 120, 122, 126
Moggridge, Donald 267, 268
Le Monde 180
monetary policy
BEGPs and 196
exchange rate and, EU enlargement 192–4
SGP and 181
technocracy and, SGP 183–6
see also economic policy
Moreno-Brid, J.C. 48
MRW (Mankiw–Romer–Weil) model
aggregate production function and 154–5
human capital and 142–3
Solow model and 140, 142
see also Mankiw, N.G.; Romer, P.M.; Weil, D.N.
Myrdal, Gunnar 269
NAIRU (Non-Accelerating Inflation Rate of Unemployment) equilibrium
short-run and, new Keynesian macroeconomics 167–8
Nefcti, S.N. 85
Nelson, R.R. 136, 141, 142, 146, 153
neoclassical growth theory
nature of growth and 135–6, 155–6
aggregate production function 151–5
capital accumulation 137–9
growth accounting approach 145–7
‘new’ theory 147–51
Solow model 139–44
reviewed 8
see also growth theory
Nickell, S. 217, 218
NICs (newly industrialized countries)
competition and competition policy in emerging markets and 216
human capital and technology and 142
open economies and 70, 76–7
see also advanced countries: Asia
Odagiri, H. 233
OECD (Organisation for Economic Co-operation and Development)
countries see advanced countries
Okun’s law
aggregate supply endogenization and,
traditional Keynesian macroeconomics 174
Oliner, S.D. 138
open economies
flexible exchange rates, facts versus
theory 75–7
imports as function of income 61–2
Keynes and 69–75
post-Keynesian theory and 68
Thirlwall’s Law and 77–80
see also globalization
O-ring theory (Kremer)
development and 141
OS-CP (open systems-ceteris paribus)
historical growth modelling and 97,
104–6, 111
Osiatynski, Jerzy 267, 268
Oulton, N. 124
output
potential, cycles and 82–3, 92
see also investment–output ratio
output gaps
cycles and 83
Oxford Institute of Economics and
Statistics
Keynes’ indirect influence on early
development economics and
265–6
Pacheco-Lopez, P. 17
Pack, H. 129, 141, 142, 150
Palley, T.I.
Thirlwall’s Law, challenge to 6, 47,
56–7
BPC growth model 50–56
problem 49–50
party control theory
aggregate demand policy and 171–2
Perosino, G. 259
Perroni, C. 236
persistence coefficients
emerging markets, in 211–12
industrial countries, in 213
Petersen, M.A. 201
Phelps Brown, E.H. 152
Philippines
capital–labour ratios 140
growth and, neoclassical approach 138
see also Asia
policy see aggregate demand policy;
budgetary policy; competition
policy; fiscal policy; economic
policy; monetary policy
political economy theory
aggregate demand policy and 172–3
population
growth and technology and 143
historical Keynes and 275–7
Porter, Michael 210, 233
Portugal
EU enlargement and 193
SGP and 8, 180
see also EU
poverty
debt service impact on, Thirlwall’s
Law and Africa 29–32
fight against, export promotion central
to 26–7
HIPC initiative impact on 32–4
Prebisch–Singer hypothesis
summarized 24
Prescott, E.C. 140
prices
non-, competition, Africa 37–8
Pritchett, L. 138–9, 143, 144
privatization
competition policy in emerging
markets and 219
production function
EGT 120–21
neoclassical, long-run and 168
technology assumption on returns to
scale and 125–6
see also aggregate production
function; Cobb–Douglas produc-
tion function
productivity
EGT and 119
labour see labour productivity
total factor see TFP
productivity growth
investment and, EGT 126–8
OECD, in 54
rate of, EGT and 122
Index

see also growth

R&D (research and development)
EGT and 127–8
growth and cycles and 83–4
‘new’ growth theory and 149–50
see also technology

Rajan, R.G. 201

RBCs (Real Business Cycles)
growth and cycles and 82, 84
see also growth cycles

RCAP (Risk Capital Action Plan)
EU enlargement and, financial framework 199

Renelt, D. 136
Rhodd, R. 29
Roberts, Mark 7, 48, 49, 99, 218
Robinson, Austin 276
Robinson, Joan 265, 275, 276–7
Rocard, Michel 180
Rodrik, D. 240

Romania
EU enlargement and 193

Romer, P.M.
cycles and growth and 82
‘new’ growth theory and 148, 149
see also MRW model

Rosenstein-Rodan, Paul 266
Rostow, W.W. 137
Royal Institute of International Affairs
Keynes’ indirect influence on early development economics and 265

Russell, Eric 61

Russia
Keynes and 274–5, 277–8
Ruttan, V.W. 136

Sachs, J.D. 143–4
Sala-i-Martin
EGT and 120, 121, 129
investment and productivity growth and 127
technology assumption on returns to scale and 123, 125

Salter, A. 273
Sanna, G. 132
Santos-Paulino, A. 17

savings
behaviour in developing countries 9–10, 247–8, 261

investment, employment and adjustment 257–60
saving, income distribution and inflation and 253–7
savings rate and per capita income levels 248–53
EGT and 117, 119–20

savings ratio
capital–labour ratio and 143–4

Sawyer, Malcolm 7–8

Say’s Law
investment and productivity growth and 126
Thirlwall on 23
Thirlwall’s Law and, Palley’s pitfalls 49
scale
returns to, technology assumption on, EGT 122–6

Scherer, F.M. 215
Scott, M. 168
Seers, Dudley 269, 271
Setterfield, Mark
EGT and 123
historical growth modelling and 96–7, 98–9, 100–101
extended cumulative framework 7, 101–11

Thirlwall’s Law and, Palley’s pitfalls 6

SGP (Stability and Growth Pact)
background 8–9
crisis, proposal for 180, 186–9
economic debate 181–3
technology and policy 183–6
EU enlargement and 194, 195, 196
see also EU

Shaikh, A. 152, 153
Shiller, R.J. 200
Shleifer, A. 201

short run
macroeconomic theory and, 8, 167–8
Simon, H.A. 152
Sin, C.-Y. 129
Singapore
growth and, neoclassical approach 146

Singer, Hans 264, 268
Singh, Ajit
competition in emerging markets and 211, 213
competition policy and developing countries and 9, 209
competition policy for economic development and 233–4
international merger wave and competition policy in developing countries and 220–21
mergers and, benefits and costs of 222
multilateral competition policy versus international competition authority and 236
Skidelsky, Robert 270, 273
Smith, Adam 135
Smith, S.C. 144
Solow, R.
aggregate production function and 152, 154
capital accumulation and 137
EGT and 116, 118, 120, 131
growth accounting approach and 145
macroeconomic theory and 166, 168
neoclassical growth theory and 156
‘new’ growth theory and 147–8
technology assumption on returns to scale and 123
Solow growth model
technical change and human capital and 139–44
South Korea
competition and competition policy in emerging markets and 210, 218, 229
growth and, neoclassical approach 138
see also Asia
Spain
EU enlargement and 193
see also EU
Spiegel, M.M. 129
Sraffa, Piero 61
Stadler, G.W. 84
Steedman, I. 126
Stiglitz, J.E. 200, 235
Summers, L.H. 138, 201
supply, aggregate see aggregate supply
Swann, T. 116, 118, 137
Syrquin, M. 144
Taiwan
competition and competition policy in emerging markets and 218
see also Asia
Tamborini, Roberto 8–9
TAR (Threshold Autoregression)
growth and cycles and 85–6, 89, 90, 91, 92
Targetti, Fernando 8–9, 16
taxation see fiscal policy
Teague, P. 197
technology
investment and productivity growth and, EGT 127
returns to scale and, EGT 122–6
SGP and 183–6
Solow model and 139–44
see also R&D
technology diffusion
cycles and 84
Telser, L. 217
Temple, J. 129
TFP (total factor productivity)
aggregate production function and 153–4
competition and economic development and 217
growth accounting approach and 145–6
see also productivity
Thirlwall, A.P.
academic background 13
aggregate demand and growth and 84
BPC and 16, 144
contribution to economics 14–15
economic development and 5, 15
economic growth and 4–5, 135–6, 138, 155–6
editor, as 17
EGT and 7–8, 122, 130–31, 132
growth rate and 82–3
growth theory and 116
import demand as function of gross expenditure and 60–61
Kaldor and 2–3, 15, 16–17
Keynes and 1–2, 17
Keynes’ influence on development economics and 268
macroeconomic and financial framework for EU enlargement and 197, 201–2
macroeconomic theory and 173
research 13, 14, 16, 17
savings theory 247–8, 249, 253–4, 257
Index

Thirlwall’s Law

African development issues and see Africa, development issues

described 4, 16, 47–9
development of 3–4, 16, 22–6
Harrod–Domar model and 34
open economies and 6–7, 77–80
Palley’s challenge to see Palley, T.I.

Tichy, G. 223–4
Tobin, J. 200
Todaro, M.P. 144
Toner, P. 96–7, 100, 103, 112, 136
Tong, H. 85
Toye, John
historical Keynes and 275, 277
Keynes’ indirect influence on early
development economics and 10,
267–8, 269
Keynes’ legend and 272
Toye, Richard 272
trade
Thirlwall’s Law and 36–7
trade balances
flexible exchange rates and, facts
versus theory 76–7

Treaty of Maastricht

ECB and 187
ERM (Exchange Rate Mechanism)
membership and 192
fiscal policy and 194, 196
Tsakalotos, Euclid 9, 193, 198
turnover rates
advanced countries, in 214–15
developing countries, in 213–15

Tybout, J. 213, 215

UK (United Kingdom)

competition and competition policy in
emerging markets and 218
growth cycles and aggregate demand
and 86–7, 88, 89, 90–92

UN (United Nations) General Assembly

multilateral competition policy versus
international competition
authority and 235

UNCTAD (United Nations Conference
on Trade and Development)

international merger wave and
competition in developing
countries and 219, 221

unemployment
advanced countries’ short-run and
long-run macroeconomic
developments and 163–6
aggregate demand policy and 171–3
aggregate supply and, traditional
Keynesian macroeconomic theory
175–6
demand management policies and 72
flexible exchange rates and, facts
versus theory 75–6
growth and technology and 143
involuntary, Keynes’ indirect influence
on early development economics
and 265
open and disguised distinguished 265

unit roots
growth and cycles and 87–8, 89

USA (United States of America)
capital–labour ratios 140
competition and competition policy in
emerging markets and 210–11,
220–21, 224, 227, 228
competition policy 230–31
growth and, neoclassical approach
138, 145
growth cycles and aggregate demand
and 86–7, 88, 89, 90–92
open economies and 71, 75, 76–7,
79–80
Stability and Growth Pact and 182–3
Thirlwall’s Law and 79–80
see also Growth Pact

Uzawa, H. 149

Verdoorn law
aggregate demand and growth and 84
described 3
economic growth and 136
EGT and 128
historical growth modelling and 98
Palley’s challenge to Thirlwall’s Law
and 6, 51, 54
summarized 24
see also Kaldor, N.

Wade, R. 144
Wallace, R.H. 60
Warman, F. 17
Weil, D.N. 140, 142, 154
   *see also* MRW model
Wells, H. 17
Whalley, J. 236
Williams, D. 139
Williamson, John 272–3
Winter, S.G. 153
Wonnacott, P. 60
World Bank
   competition and economic development and 217–18
   competition policy in developing countries and 215–16
WTO (World Trade Organization)
   competition policy for economic development and 233–4, 239–40
   Doha Declaration 207–8
   multilateral competition policy versus international competition authority and 234, 235, 239
Yi, K.-M. 129
Young, A. 84, 140, 146
Zambia
   growth and, neoclassical approach 144
   *see also* Africa
Zejan, M. 138