Index

Abramowitz, Moses, 65
Acemoglu, Daron
 institutional growth and, 11, 17–18, 20–21
 politics and, 215–217, 222, 229, 237–238, 241
 productivity and, 69–70
Aggregation, 81
 equilibrium and, 39–43
 factor endowments and, 220–226
 institutional productivity and, 65–78
 optimal policy choice and, 167–175
 perfect markets and, 39–43
 politics and, 217
 regulation effects and, 97–110 (*see also* Regulation)
 state interference and, 108
 unified approach and, 99, 105–106
Aghion, Howitt, and Mayer-Foulkes (AMH) model, 6–8, 27, 28n12
Aghion, Philippe, 3–31, 90–91
Agriculture, 271
 chemical fertilizers and, 262
 education and, 259–262
 efficiency gains in, 252–262
 growth and, 250–251
 Harris-Todaro effect and, 260–261, 266
 Iceland and, 251–252, 262–265, 271
 investment and, 249
 labor market and, 255–256
 land value and, 249, 254–255
 Leontief production function and, 253
 market competition and, 252–253
 migration and, 272–275
 optimal backwardness and, 259–260
 Schultz effect and, 261, 266
 share of workforce in, 249–250
 Solow model and, 267
 structural change and, 265–270
 technology and, 249, 253–254, 256–258
 vs. urban industries, 249–251, 253–254
 utility and, 253–255
Alesina, A., 88, 93, 103–104, 112, 217, 239
Arellano, M., 112
Aristocracy, 194, 198
Aristotle, and recruitment of elite, 193
Army Alpha, 198
Arrow, Kenneth, 52
Australia, 100, 107
Averch, H., 88
Azariadis, Costas, 33–64

Baldwin, Matthias, 139
Bandiera, Oriana, 45
Banerjee, Abhijit, 43
Barro, Robert J., 4, 22, 81, 215, 237, 269
Barro-Lee, 45
Bayh-Dole Act, 23–24
Beck, T., 7–8
Becker, Gary, 34
Belgium, 97
Benhabib, J., 6
Ben-Porath, Yoram, 37
Bentolila, Samuel, 76
Bible, 193
Black market, 181
Blanchard, O., 88
Bloom, R., 14
Blundell, R., 9, 14
Boix, C., 215, 233, 237–239
Bond, S., 112
Boone, J., 91
Borrowing constraints, 33
 equilibrium and, 39–43
 Gini index and, 48–49
 reform response and, 47–50

Bourguignon, F., 218, 241
Boylaud, O., 93
Brazil, 182
Brezis, Elise S., 191–213
Business Environment Risk Intelligence (BERI), 68

Cambridge University, 195–196, 201
Canada, 147, 270
Capital
 borrowing constraints and, 39–43
 equilibrium and, 39–43
 household effects and, 35–39
 institutional productivity and, 65–78
 perfect markets and, 39–43
 retirees and, 42
Capital-labor ratio, 35
 borrowing constraints and, 39–43
 foreign direct investment (FDI) and, 89
 household issues and, 44–52
 information and communication technology (ICT) and, 87
Capital spending, 88
Caprio, Gerard, 45
Carmichael, H. Lorne, 23
Catholic Church, 194
Cervellati, Matteo, 215–248
CES technologies, 35
 poverty traps and, 52–57
Chandlerian management, 195
Chemistry, 195, 262
Chenery, Hollis, 52
Cheng, L. K., 114
Chile, 45, 182
China, 159, 184–185
Cobb-Douglas production function, 40, 42, 45, 53
Competition
 capital spending and, 88
 entry barriers and, 88
 growth and, 9–16
 incumbent firms and, 10
 market reform patterns and, 92–97
 multifactor productivity and, 89–91, 114–115
 neck-and-neck, 91
 network industries and, 88
 property rights and, 14–16
 R&D effects and, 10–16
 regulation and, 88–89
 Schumpterian effect and, 11, 16
Conant, James, 198
Consolidation phase, 164
Contract enforceability, 68–69
Convergence, 27
 academic institutions and, 23–26
 AMH model and, 6–8
 appropriate institutions and, 16–22
 financial institutions and, 4–9
 Gerschenkron and, 16–17
 income gap and, 4
 intellectual property rights and, 147–148 (*see also* Property rights)
 perfect markets and, 35
 technology transfer model and, 4–5
Convergence club, 4
Cost discovery phase, 161, 163
Credit rationing, 35
Crouzet, François, 191–213
Crystal Palace Exhibition, 126, 146–147
Czech Republic, 185

Dasgupta, Partha, 23
David, Paul, 23
De Gregorio, José, 34
Deininger, Klaus, 45
de la Croix, David, x, 33–64
Democratization. *See also* Politics
 from above, 218–219, 232, 239, 242
 from below, 218–219, 232, 242
 conflict and, 225, 241
 development and, 226–235
 fixed rules of, 224
 future research for, 242–244
 guns condition and, 225, 241
 historical perspective on, 235–240
 income redistribution and, 218–219
 oligarchy and, 218–219
 public-goods provision and, 219, 224–235
 technology and, 240–241
 transition regimes to, 229–235
de Mooij, R. S., 105
Denmark, 263–264
Deregulation, 33–35
Development accounting, 67–68
Dewatripont, M., 24
Diaz-Giminez, Javier, 46
Dictionary of National Biography, 134
Divergence, 6
Djankov, 17
Drazen, Allan, 35–36
Durlauf, Steven N., 183

Eads, James, 139
Eastern Europe, 185
Eastman, George, 139
Ecole Centrale, 195–196
Ecole des Ponts et Chaussées, 195
Ecole Nationale d'Administration (ENA), 195, 199–202, 205, 208
Ecole Polytechnique, 195, 199
"Economic Backwardness in Historical Perspective" (Gerschenkron), 16–17
Ederveen, S., 105
Edison, Thomas, 139
Education, 9, 180
 agriculture and, 259–262
 appropriate institutions and, 20–22
 class stratification magnification and, 192
 corporate economy and, 195
 democratization of, 191, 204
 elitism and, 195–209
 factor accumulation and, 70–71
 France and, 194–196
 Gini index and, 48–49
 higher education institutions and, 191–212
 household issues and, 37–38, 45
 increased number of universities and, 191
 innovation and, 192–193
 investment in, 23–26
 meritocracy and, 191–192, 202–207
 military schools and, 194
 quality and, 191
 recruitment methodology and, 193–207
 religion and, 191, 193–194, 197, 199
 Rybczynski theorem and, 21–22
 Scholastic Aptitude Test (SAT) and, 198–199, 202, 205, 208
 Second Industrial Revolution and, 195
 U.S. inventors and, 134–146
 World War II era and, 191–192
Efficiency
 agricultural growth and, 252–262
 politics and, 218
 slack reduction and, 89–90
Egger, 113
Eicher, Theo S., 65–80
Electricity, 195
Elitism, 231
 business leaders and, 195–200
 class stratification magnification and, 192
 conflict and, 223–226
 early patent systems and, 124–134
 France and, 195, 198–202, 205, 208–209
 guns condition and, 225
 heredity and, 194
 higher education and, 191–212
 innovation and, 192–193
 meritocratic effects and, 202–207
 nepotism and, 194
 politics and, 217–218
 recruitment methodology and, 193–202
 ruling class and, 193–194
 Scholastic Aptitude Test (SAT) and, 198–199
 violence and, 194
Endogeneity, 68–69
Engerman, Stanley L., 270
Entrepreneurship, 186–187
 AMH model and, 6–8
 consolidation phase and, 164
 cost discovery phase and, 161, 163
 diversification and, 159–160
 economic environments for, 162–165
 empirical analysis and, 176–183
 growth and, 180
 imitative entry and, 160
 labor allocation and, 165–167
 market equilibrium and, 165–167
 market reform patterns and, 92–97
 optimal policy choice and, 167–175
 policy tinkering and, 160–167, 176–183
 property rights and, 3
 social infrastructure and, 3
 state ownership and, 159, 184–185
Entry costs, 17
Equality
 equilibrium and, 39–43
 optimal policy choice and, 167–175
 reform effects on household, 39–52
Esteban, J., 241
European Union (EU), 100, 111
 income gap and, 81
 liberalization and, 95–97
Evans, P., 4

Factor endowments
 productivity and, 70–77, 220–226
 public-goods provision and, 224–228
Fanelli, Jose, 33
Fidrmuc, Jan, 52
Foreign direct investment (FDI)
 capital-labor ratio and, 89
 empirical analysis of, 97–110

Foreign direct investment (FDI) (cont.)
information and communication technology (ICT) and, 87, 101, 103, 109–110
market reform patterns and, 92–97
product market policies and, 113–114
regulation and, 89, 105–107, 113–114
restrictions on, 93, 95
technology diffusion and, 90
unified approach and, 99, 105–106
United Kingdom and, 106–107
Fortunato, Piergiuseppe, 215–248
France, 97
early patent system of, 127–129, 153nn10,11, 154n12
elite education and, 194–202, 205, 208–209
French Revolution effects and, 128–129, 195
non-manufacturing sector and, 105
Friedman, Eric, 180

Galor, Oded, 34, 43, 219, 251
García-Peñalosa, Cecilia, 65–80
GDP measurement, 17, 57, 236–237
AMH model and, 7–8
Cobb-Douglas production function and, 53
policy tinkering effects and, 181–183
regulation effects and, 98, 111
Germany, 97, 105, 147, 196
Geroski, P., 9
Gerschenkron, Alexander, 16–17, 147
Ghana, 45
Giavazzi, F., 88
Gil, R., 239
Gini index, 35, 45–46, 48–49
Glaeser, E. L., 215-217, 239
Gollin, D., 76
Golub, S., 93
Gradstein, M., 218, 241
Grandes écoles (GE), 195, 199–202, 208–209, 210n19
Griffith, R., 9, 14
Griliches, Z., 91
Grossman, H., 241
Growth
agriculture and, 250–251 (*see also* Agriculture)
AMH model and, 6–8
borrowing constraints and, 39–43
compensating losers and, 50–52
competition and, 9–16
convergence and, 4–9, 16–27
deregulation and, 33–34
education and, 20–22
entrepreneurship and, 180
equilibrium and, 39–43
Europe's "Golden Age" of, 251
factor endowments and, 220–226
Gerschenkron and, 16
Gini index and, 35, 45–46, 48–49
growth effect and, 34, 39–43, 62
higher education and, 191–212
income gap and, 81
income per capita and, 84–88
information and communication technology (ICT) and, 87
innovation and, 5 (*see also* Innovation)
institutional role in, 3–31 (*see also* Institutions)
invention and, 146–152
level effect and, 34
meritocracy and, 206–207
politics and, 215–246 (*see also* Politics)
population, 45
poverty traps and, 52–57
product range and, 159–160
property rights and, 123
regulation effects in, 81–117 (*see also* Regulation)
Schumpeterian theory and, 8–9
social infrastructure and, 3
stagnation and, 6
structural change and, 265–271
technology transfer model and, 4–5
Guns condition, 225, 241
Gust, C., 110
Gylfason, Thorvaldur, 249–279

Hall, Robert E.
politics and, 216
productivity and, 65–72, 76–78
Harberger, Al, 159
Harris, John R., 251, 253
Harris, P., 9
Harrison, Ann E., 76
Harris-Todaro effect, 260–261, 266
Harvard University, 197–198
Hausmann, Ricardo, 160, 163
Hautes Etudes Commerciales (HEC), 196
Hellmann, Thomas, 24
Henderson, Rebecca, 23–24
Holmström, B., 90

Honohan, Patrick, 45
Household issues
 borrowing constraints and, 39–43
 compensating losers and, 50–52
 education and, 37–38, 45
 generational effects and, 36
 perfect market and, 39–43, 58–62
 reform effects and, 33–39, 47–50
 retirees and, 42
Howe, Elias, 139
Howitt, P., 6–8, 14, 90
Human capital, 33, 58–62
 abilities index and, 44
 agriculture and, 249–278 (*see also* Agriculture)
 borrowing constraints and, 47–50
 compensating losers and, 50–52
 conflict and, 223–226
 education and, 199–200 (*see also* Education)
 elitism and, 195–209
 equilibrium and, 39–43
 factor accumulation and, 70–73
 household issues and, 33–39
 information and communication technology (ICT) and, 87, 101, 103, 109–110
 intellectual property rights and, 129 (*see also* Property rights)
 politics and, 218
 poverty traps and, 52–57
 productivity and, 44–45, 65–80 (*see also* Productivity)
 reform response and, 47–50
 regulation effects and, 86–87
 retirees and, 42

Iceland, 251–252, 262–265, 271
Imbs, Jean, 159
Income
 factor endowments and, 220–226
 Harris-Todaro effect and, 260–261
 household issues and, 35–39
 institutional productivity and, 65–78
 optimal policy choice and, 167–175
 output growth and, 84–88
 public-goods provision and, 224–228
 Solow residual, 67
 state role and, 222–223
Income gap, 4, 81
India, 159, 184
Indonesia, 45
Innovation, 3
 AMH model and, 6–8
 appropriate institutions and, 16–22
 basic mechanisms for, 91
 competitive markets and, 9–16
 Crystal Palace Exhibition and, 126, 146–147
 early patent systems and, 124–134
 economic development and, 146–152
 education and, 192–193
 empirical analysis of, 97–110
 financial development and, 5–8
 information and communication technology (ICT) and, 87, 109–110
 inverted-U relationship and, 12–14
 Lerner index and, 16
 meritocracy and, 206–207
 Poisson analysis and, 16
 property rights and, 123
 R&D and, 6, 10–16
 regulation and, 91
 Schumpeterian effect and, 11
 skilled workers and, 6
 stagnation and, 6
 U.S. inventors and, 134–146
Institut d'etudes politiques (IEP), 200
Institutions, 27
 academic, 23–26
 appropriate, 16–22
 black box treatment of, 69–70
 convergence and, 4–9
 development accounting and, 67–68
 direct/indirect effects of, 73–75
 early patent system and, 124–134
 endogeneity and, 68–69
 factor accumulation and, 70–77
 Gerschenkron and, 16–17
 higher education, 191–212
 historical perspective on, 235–240
 income gap and, 4
 invention and, 146–152
 labor allocation and, 165–167
 literature on, 81, 84
 measurement of, 68–69
 mortgage, 33
 output levels and, 67–70
 political, 215–246 (*see also* Politics)
 productivity and, 65–80 (*see also* Productivity)
 public sector and, 222–223
 reform and, 160–161, 184 (*see also* Reform)

Institutions (cont.)
social infrastructure and, 3
Solow residual and, 67, 69, 71–73
state role and, 222–223
technology transfer and, 4–5
Intellectual property rights. *See* Property rights
International Country Risk Guide (ICRG), 68
Invention
early patent systems and, 124–134
economic development and, 146–152
great U.S. examples of, 134–146
meritocracy and, 206–207
Inverted-U relationship, 12–14
Investment
academic institutions and, 23–26
agriculture and, 249
borrowing constraints and, 39–43, 47–50
competition and, 88–89
diversification and, 159–160
in education, 20–22
empirical analysis of, 97–110
FDI, 89 (*see also* Foreign direct investment (FDI))
growth effect and, 34
information and communication technology (ICT) and, 87, 101, 103, 109–110
intellectual property rights and, 147
in non-manufacturing, 103–105
perfect markets and, 39–43
policy tinkering and, 160–167, 176–183
productivity and, 92
regulation effects and, 82–83, 101–107 (*see also* Regulation)
retirees and, 42
unified approach and, 99, 105–106
Israel, 182
Italy, 87
Ivy League, 197–199
Iyigun, Murat, 159–188

Jaffe, Adam, 23–24
Jaggers, Keith, 266
Japan, 17, 19, 81, 97, 100, 111, 147
Jappelli, Tulio, 34
Jefferson, Thomas, 198
Johnson, L. L., 88
Johnson, Simon, 69–70, 216, 241
Jones, Charles I.
agriculture and, 251
politics and, 216
productivity and, 65–72, 76–78
Jonsson, Gudmundur, 262–264

Kaelble, H., 195
Kaldor, Nicolas, 251
Keefer, Philip, 68–69
Kehoe, Timothy, 38
Kerr, Clark, 197
Khan, B. Zorina, 123–158
Kim, Se-Jik, 34
Klette, T. J., 91
Knack, Stephen, 68–69
Koedijk, K., 86
Korea, 17, 19, 45
Kremers, J., 86
Kuznets, Simon, 147, 151
Kwan, Y. K., 114

Labor, 43, 81. *See also* Human capital
agriculture and, 249 (*see also* Agriculture)
allocation of, 165–167
borrowing constraints and, 47–50
Harris-Todaro effect and, 260–261, 266
household issues and, 35–39
Iceland and, 262–265
information and communication technology (ICT) and, 87, 101, 103, 109–110
institutional productivity and, 65–78
market equilibrium and, 165–167
migration of, 250–251, 272–275
optimal backwardness and, 259–260
optimal policy choice and, 167–175
poverty traps and, 52–57
productivity and, 65–80 (*see also* Productivity)
regulation and, 81–117 (*see also* Regulation)
Schultz effect and, 261, 266
skilled, 6, 20–22
structural change and, 265–270
Lach, Saul, 24
La Porta, R., 215
Lee, 22
Lerner index, 16
Level effect, 34, 39–43
Levine, David, 38
Levine, R., 7–8
Lévy-Leboyer, M., 199
Lewis, W. Arthur, 249, 251
Liberal arts, 191

Liberalization, 9
borrowing constraints and, 39–43
compensating losers and, 50–52
consensus on, 33
costs of, 33
dynamic simulations for, 44–52
European Union (EU) and, 95–97
growth effect and, 34, 39–43
household issues and, 33–39
level effect and, 34
market reform patterns and, 92–97
non-manufacturing sector and, 103–105
reform response and, 47–50
retirees and, 42
Washington consensus and, 56–57
Licensing. *See* Property rights
Limongi, F., 215, 237, 239
Lizzeri, A., 217, 230, 239, 241
Lo, Shih-Tse, 152
Loan-to-value ratios, 33
Loayza, N., 7–8
London Stock Exchange, 15
Lucas, R., 20

Maddison, A., 4
Madison, James, 130
Madisson, Angus, 265
Malaysia, 45, 182
Mankiw, Gregory N., 4, 65–66, 70–72, 75–76
Markets, 3
agriculture and, 252–253
black, 181
borrowing constraints and, 47–50
competition and, 9–16, 87–88
cost discovery and, 161
deregulation and, 33–34
diversification and, 159–160
empirical analysis of, 97–110
entry barriers and, 88, 103–106
equilibrium and, 39–43
European Union (EU) and, 81, 95–97, 100, 111
factor endowments and, 220–226
FDI and, 113–114 (*see also* Foreign direct investment (FDI))
household effects and, 35–39
imitative entry and, 160
inflexible, 180
information and communication technology (ICT) and, 87, 101, 103, 109–110
intellectual property rights and, 147, 151
inverted-U relationship and, 12–14
liberalization and, 33–34 (*see also* Liberalization)
non-manufacturing sector and, 103–105
perfect, 35, 39–43, 47–50, 58–62
product range and, 159–160
reform effects and, 39–57, 92–97
regulation of, 81–117 (*see also* Regulation)
Rybczynski theorem and, 21–22
state role and, 108, 222–223
tariffs and, 93, 106
trade barriers and, 93
unified approach and, 99, 105–106
U.S. patent system and, 131–132
Markusen, J. R., 99, 105, 113
Marquez, J., 110
Marshall, Monty G., 266
Maskus, K. E., 105, 113
Mauro, P., 216
Mayer-Foulkes, D., 4, 6–8
Medhora, Rohinton, 33
Meghir, C., 21–22
Meritocracy
Catholic Church and, 194
economic growth and, 206–207
higher education and, 191–192, 202–207
Scholastic Aptitude Test (SAT) and, 198–199, 202, 205, 208
social stratification effects of, 202–207
Mexico, 45
Meyer, M., 90
Military schools, 194
Minhas, B. S., 52
Minier, J. A., 216, 238
Moav, Omer, 219, 251
Mokyr, J., 241
Mortgage institutions, 33
Moses, 193
Moulton, B. R., 115
Mulligan, C. B., 239
Murray, Fiona, 23–24

National Science Foundation (NSF), 23
Nelson, Richard R., 20, 23, 259
Network industries, 88
Newman, Andrew, 43
New Zealand, 97, 100, 107, 182
Nickell, S., 9
Nicoletti, Giuseppe, 81–120
North, Douglass C., 3, 68

Norway, 263–264
Noury, Abdul, 52

Oligarchy, 218–219, 224, 230
Openness, 17
Organization for Economic Cooperation and Development (OECD), 15
 deregulation and, 33–34
 education and, 22
 empirical analysis of, 97–101
 liberalization and, 33
 market reform patterns in, 92–97
 regulation effects in, 81–117 (*see also* Regulation)
 tariffs and, 93
 unified approach and, 99, 105–106
Oxford University, 195, 201

Pagano, Marco, 34
Papaioannou, E., 216
Patent Act of 1836, 131
Patents. *See also* Property rights
 anti-commons effect and, 24
 bargain theory of, 129
 Bayh-Dole Act and, 23–24
 British system of, 125–127
 competition effects and, 14–16
 cost of, 125–126, 128–129, 156n39
 early systems of, 124–134
 French system of, 127–129
 registration system and, 127–128
 Statute of Monopolies and, 125–126
 United States and, 129–136
Penn World Tables, 45
Perotti, Enrico, 24
Persico, N., 217, 230, 239, 241
Persson, T., 217, 235
Phelps, Edmund S., 20, 259
Philosophy, 191
Piketty, Thomas, 34
Plato, and recruitment of elite, 193
Poisson technology, 16
Poland, 185
Policy, 159
 Bayh-Dole Act and, 23–24
 cost discovery and, 161
 early patent systems and, 124–134
 elitism and, 195–209
 liberalization, 9, 33 (*see also* Liberalization)
 optimal choice and, 167–175
 property rights and, 123, 131
 regulation and, 81–117 (*see also* Regulation)
 social infrastructure and, 3
 state interference and, 108
 state ownership and, 159, 184–185
 Statute of Monopolies and, 125–126
 Washington consensus and, 56–57
Politics
 conflict and, 217, 223–226, 225, 241
 corruption and, 217
 democratic vs. nondemocratic societies, 215
 economic environment and, 220–222
 efficiency and, 218
 elitism and, 217–218
 empirical analysis of, 215–216, 235–240
 factor endowments and, 220–226
 first-order effect and, 217
 guns condition and, 225, 241
 historical perspective on, 235–240
 neutrality and, 217
 oligarchy and, 218–219
 openness and, 216
 power and, 223–224
 property rights and, 217–218
 public-goods provision and, 224–228
 public sector and, 222–223
 rent-seeking and, 217
 state role and, 222–223
 timing of events and, 223–226
 voting systems and, 216, 234–235
 World War II era and, 239
Polity IV Project, 266
Poverty traps
 overlapping generations model and, 52
 reform and, 52–57
 Washington consensus and, 56–57
Pritchett, L., 4
Privatization, 83, 92–97
Productivity
 Aghion, Dewatripont, and Stein model and, 24–26
 agriculture and, 253–254
 AMH model and, 6–8
 Cobb-Douglas production function and, 40, 42, 45, 53
 competition effects and, 9–16
 consolidation phase and, 164
 contract enforceability and, 68–69
 cost discovery phase and, 161, 163
 development accounting and, 67–68
 diversification and, 159–160

domestic, 5
empirical analysis of, 97–110
factor endowments and, 70–77, 220–226
household issues and, 44–45
incumbent firms and, 10
information and communication technology (ICT) and, 87
institutional effects on, 65–80
labor allocation and, 165–167
Leontief production function and, 253
modern-sector cost and, 162
multifactor, 82–83, 86–87, 89–91, 97–110, 114–115
optimal policy choice and, 167–175
policy tinkering and, 160–167, 176–183
product range and, 159–160
public-goods provision and, 224–228
R&D and, 5
reform effects and, 52–57, 175
regulation and, 81–117 (*see also* Regulation)
Rybczynski theorem and, 21–22
slack reduction and, 89–90
Solow residual and, 67, 69, 71–73
state role and, 222–223
technology and, 4–5, 9–22, 90 (*see also* Technology)
total factor (TFP), 15, 22, 57, 76, 182–183
Property rights, 9
academic institutions and, 23–26
anti-commons effect and, 24
Bayh-Dole Act and, 23–24
competition effects and, 14–16
control rights commitment and, 24
diversification and, 160
early patent systems and, 124–134
economic development and, 146–152
growth and, 123
politics and, 217–218
social infrastructure and, 3
state ownership and, 159, 184–185
U.S. inventors and, 134–146
Przeworski, A. M., 215, 237, 239
Public sector
conflict and, 223–226
institutions and, 222–223
state role and, 222–223
timing of events and, 223–226

Ray, D., 241
Reform, 159
borrowing constraints and, 39–43, 47–50
compensating losers and, 50–52
cost discovery and, 161
dynamic simulations for, 44–52
empirical analysis of, 97–110
equilibrium and, 39–43
household issues and, 33–39
institutional, 160–161, 175
labor allocation and, 165–167
lending institution creation and, 33
liberalization and, 33 (*see also* Liberalization)
non-manufacturing sector and, 103–105
optimal policy choice and, 167–175
patent, 124–134
perfect markets and, 39–43
policy implications for, 57–58
policy tinkering and, 160–167, 176–183
poverty traps and, 52–57
productivity impact and, 175
response to, 47–50
Sachs, Warner, and Wacziarg-Welch, 181
Washington consensus and, 56–57
Regulation, 81
capital spending and, 88
competition and, 87–89
economy-wide indicators and, 93
empirical analysis of, 97–110, 112
entry barriers and, 88
evidence on economic effects of, 100–110
foreign direct investment (FDI) and, 89, 105–107, 113–114
income per capita and, 84–88
information and communication technology (ICT) and, 87, 109–110
innovation and, 91
investment and, 101–107
market reform patterns and, 92–97
microeconomic theories on, 82, 86–87
multifactor productivity and, 86–87, 89–91, 97–110, 114–115
non-manufacturing sector and, 93, 103–105
output growth and, 84–88
productivity and, 82–83
R&D effects and, 91
slack reduction and, 89–90
technology diffusion and, 90
Religion, 191, 193–194, 197, 199
Rent-seeking, 217
Research and development (R&D)
academic institutions and, 23–26

Research and development (cont.)
Aghion, Dewatripont, and Stein model and, 24–26
AMH model and, 6–8
competition effects and, 10–16
control rights commitment and, 24
Gerschenkron and, 16
incentives for, 23–24, 27
innovation and, 6
intellectual property rights and, 143 (*see also* Property rights)
inverted-U relationship and, 12–14
private, 23
productivity and, 5
regulation effects and, 91
Retirement, 42
Rigobon, R., 216, 239
Risk, 20, 69
Robinson, James A., 69–70, 216–217, 222, 229, 238, 241
Rodriguez, Francisco, 181
Rodrik, Dani, 159–188, 216, 239
Romer, David, 4, 65–66, 70–72, 75, 76
Russia, 147
Rybczynski theorem, 21–22

Sachs, Jeffrey D., 181, 268
Saint-Paul, Gilles, 76
Sala-i-Martin, X., 4, 81, 239
Savings
agriculture and, 249
deregulation and, 33–34
equilibrium and, 39–43
household issues and, 35–39
perfect markets and, 39–43
Scale effects, 99, 105–106
Scarpetta, Stefano, 81–120
Schankerman, Mark, 24
Scharfstein, D., 90
Schiantarelli, Fabio, 45
Schmidt, M. K., 90
Scholastic Aptitude Test (SAT), 198–199, 202, 205, 208
Schultz, Theodore, 257
Schultz effect, 261, 266
Schumpeterian theory, 8–9, 11, 14, 15, 16, 20, 27n1
Second Industrial Revolution, 138, 195
Sensitivity analysis, 48, 60–61
Simouraounis, G., 216
Single Market Program (SMP), 15
Skilled workers, 6, 20–22
Slack reduction, 89–90
Smith, Adam, 9
Social infrastructure, 3
Social security, 236
Sokoloff, Kenneth L., 123–158, 270
Solow, Robert, 52
Solow residual, 67, 69, 71–73, 267
South Africa, 182
Soviet Union, 185
Spain, 87
Spiegel, M., 6
Squire, Lyn, 45
Statue of Monopolies, 125–126
Stein, J., 24
Stern, Scott, 24
Stokes, S. C., 215, 233, 237, 239
Subramanian, A., 216, 239
Sunde, Uwe, 215–248
Sweden, 107, 176
Switzerland, 100

Tabellini, G., 217, 235
Taiwan, 152
Tamura, Robert, 251
Tariffs, 93, 106
Tavares, J., 216, 238
Taxes, 160, 224, 230–231, 235
Technology, 3, 240
adoption of, 90
agriculture and, 249, 253–254, 256–258
appropriate institutions and, 16–22
CES, 35, 52–57
competition effects and, 9–16
constant-returns-to-scale, 162
diffusion of, 90
early patent systems and, 124–134
education and, 20–22, 195 (*see also* Education)
factor endowments and, 220–226
financial development and, 5–8
gaps in, 114–115, 249
guns condition and, 225, 241
Harris-Todaro effect and, 260–261, 266
Iceland and, 262–265
incentives for, 107–108
information and communication (ICT), 87, 101, 103, 109–110
innovation and, 123–157 (*see also* Innovation)
labor migration and, 255–256
Leontief production function and, 253
meritocracy and, 206–207

optimal backwardness and, 259–260
property rights and, 123
public-goods provision and, 227
regulation and, 90
scale and, 40
Schultz effect and, 261, 266
skilled workers and, 6, 20–22
spillover and, 90
Technology transfer, 4–5, 114–115
Teksoz, Utku, 65–80
Temin, Peter, 198–199, 202, 250–251, 266
Theology, 191
Thomas, Robert P., 3
Tobago, 182
Todaro, Michael P., 251, 253
Trajtenberg, Manuel, 23–24
Trebbi, F., 216, 239
Tressel, T., 114–115
Trinidad, 182
Tunisia, 182
Turkey, 45

Unified approach, 99, 105–106
United Kingdom, 97, 111, 239
Crystal Palace Exhibition and, 126, 146–147
early patent system of, 125–127
education and, 195–196
foreign direct investment (FDI) and, 106–107
non-manufacturing sector and, 104–105
restrictive approach of, 101, 103
United States, 111, 270
Bayh-Dole Act and, 23–24
business-friendly approach of, 101, 103
Civil War, 134
Constitution and, 130–131
early patent system of, 129–134, 147
education and, 194–202, 205, 208
examination system and, 147
income gap and, 81
inventors of, 134–146
non-manufacturing sector and, 105
Patent Office and, 15
Scholastic Aptitude Test (SAT) and, 198–199, 202, 205, 208
University of California, 197, 198
U.S. Constitution, 130–131
U.S. Patent Office, 15

Vandenbussche, J., 21–22
Van Reenen, J., 9
Verdier, T., 218, 241
Vickers, J., 9, 90
Vietnam, 159, 184–185
Vollrath, D., 219
Voting, 216, 234–235

Wacziarg, Romain, 159, 181, 216, 238
Warner, Andrew M., 181, 268
Washington, George, 130
Washington consensus, 56–57
Weil, David N., 4
agriculture and, 251
politics and, 219
productivity and, 65–66, 70–72, 75–76
Welch, Karen Horn, 181
World Bank, 265–266
World War II era
economic development after, 239
education and, 191–192, 197, 202–202, 206–209

Zeira, Joseph, 34, 43
Zilibotti, F., 17–18, 20–21
Zimbabwe, 45
Zoega, Gylfi, 249–279