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978-1-107-01596-8 - Structural Dynamics and Economic Growth

Edited by Richard Arena and Pier Luigi Porta

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Structural Dynamics and Economic Growth

Ever since Adam Smith, economists have been preoccupied with the puzzle of economic growth. The standard mainstream models of economic growth were and often still are based either on assumptions of diminishing returns on capital with technological innovation or on endogenous dynamics combined with a corresponding technological and institutional setting. An alternative model of economic growth emerged from the Cambridge School of Keynesian economists in the 1950s and 1960s. This model – developed mainly by Luigi Pasinetti – emphasizes the importance of demand, human learning and the growth dynamics of industrial systems. Finally, in the past decade, new mainstream models have emerged incorporating technology or demand-based structural change and extending the notion of balanced growth. This collection of essays reassesses Pasinetti's theory of structural dynamics in the context of these recent developments, with contributions from economists writing in both the mainstream and the Cambridge Keynesian traditions and including Luigi Pasinetti, William Baumol, Geoffrey Harcourt and Nobel laureate Robert Solow.

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Cambridge, New York, Melbourne, Madrid, Cape Town,
Singapore, São Paulo, Delhi, Mexico City

Cambridge University Press

The Edinburgh Building, Cambridge CB2 8RU, UK

Published in the United States of America by

Cambridge University Press, New York

www.cambridge.org

Information on this title: www.cambridge.org/9781107015968

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First published 2012

Printed in the United Kingdom at the University Press, Cambridge

A catalogue record for this publication is available from the British Library

Library of Congress Cataloging-in-Publication Data

Structural dynamics and economic growth / edited by Richard Arena,
Pier Luigi Porta.

p. cm.

ISBN 978-1-107-01596-8 (Hardback)

1. Economic development. 2. Sustainable development. 3. Pasinetti,
Luigi L.—Political and social views. I. Arena, R. (Richard) II. Porta,
Pier Luigi. III. Title.

HD82.S84577 2011

338.9—dc23

2011025054

ISBN 978-1-107-01596-8 Hardback

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