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INTRODUCTION

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The interest in the study of economic growth has experienced remarkable ups and downs in the history of economics. It was central in classical political economy from Adam Smith to David Ricardo, and then in the critique of it by Karl Marx, but was moved to the periphery during the so-called 'marginal revolution'. John von Neumann's growth model and Roy Harrod's attempt to generalize Keynes's principle of effective demand to the long run re-ignited an interest in growth theory. Following the publication of papers by Robert Solow and Nicholas Kaldor in the mid-1950s, growth theory became one of the central topics of the economics profession and remained so until the early 1970s. After a decade of dormancy, since the mid-1980s economic growth has once again become a central topic in economic theorizing. The recent 'new' growth theory is also called 'endogenous growth theory', since according to it the long-run growth rate is determined from within the model and is not given as an exogenous variable.

An analysis of recent developments in growth theory, and their status in the history of the field, has been the main goal of a conference held in Pisa in the autumn of 2001. Some of the papers delivered to the conference have been collected in this issue of *Metroeconomica*. Other papers will be published in a book on *Old and New Growth Theories: An Assessment* (Salvadori (2003b)) and in special issues of the journals *The European Journal of the History of Economic Thought* (2003) and *History of Economic Ideas* (2002). The conference was hosted by a research group, and several of the papers elaborated by members of the group were delivered at the conference. The main product of the research group is a book on *The Theory of Economic Growth: A Classical Perspective* (Salvadori (2003a)). There is, of course, no overlapping among all the mentioned publications, which all together constitute the proceedings of the conference.

The conference was characterized by the presence of both mainstream economists and economists who are critical of it. A general impression was that there was some dialogue across the different approaches. In order to give the flavour of this aspect of the conference I have organized the different papers in this issue starting from those closer to the mainstream. Then we have some critical papers and, finally, the papers which develop alternative approaches with no particular reference to the mainstream.

The present issue starts with a paper by Alberto Bucci, Fabio Fiorillo and Stefano Staffolani which tries to answer the question ‘Can market power influence employment, wage inequality and growth?’ The paper provides an assessment of the impact of product market competition on overall employment, the sectoral distribution of workers, wage inequality and growth. To achieve this task, the authors embed a dual labour market with segmentation into a research and development based endogenous growth model. The following paper by Francesco Pigliaru on ‘Detecting technological catch-up in economic convergence’ develops a simple growth model where technology accumulation in lagging economies depends on their propensity to innovate and on interregional spillovers and where convergence in per capita income is due to both capital-deepening and technological catching-up. The author uses his model to show how to generate unambiguous evidence on the role of technology diffusion in the observed convergence. The third paper, by Luciano Fanti and Piero Manfredi, is on ‘Population, unemployment and economic growth cycles: a further explanatory perspective’. The paper develops a Solovian growth model with non-market-clearing real wages and endogenous fertility in order to present a simple framework for analysing both the role of population as an engine of growth and the relationship between growth and cycle. It is a contribution to the literature on unemployment and fertility in the presence of capital accumulation. The fourth paper is a more critical one: the authors qualify it even ‘nihilistic’. The paper by Jesus Felipe and Franklin M. Fisher on ‘Aggregation in production functions: what applied economists should know’ proposes a non-technical survey with two objectives. First, it summarizes the existing literature on the aggregation problem and the measurement of capital. Second, it discusses the resulting implications for applied economics and draws some lessons for applied economists, particularly those of neoclassical persuasion. The paper goes much over a restatement of the results that Franklin Fisher (1993) has proved in a number of years. In this paper, in fact, we find also an attempt to clarify the relationship between all this literature and the Cambridge capital controversies. The fifth paper, by Rabindra Nath Chakraborty, is on ‘Short- and long-run effects of environmental degradation: a structuralist approach’. It studies the impact of environmental degradation, resulting from over-exploitation of a renewable resource due to a common pool externality, on the growth performance of a developing economy. It shows that environmental degradation reduces growth by causing a decline of agricultural productivity. Though this negative effect is confined to the short run only, it may last for decades and therefore cannot be ignored by policy-makers. The sixth paper, by Luciano Boggio, on 'A model of take-off and fast growth in open economies', recalls the growth process of East Asian newly industrializing economies, characterized by an extremely rapid expansion of manufactured commodities exports. It stresses the importance of international cost competitiveness in fostering profits, investment and growth. The competitiveness is amplified over time by a Kaldorian process of cumulative causation. The seventh paper, by Anthony Laramie and Douglas Mair, deals with 'The effects of taxation in a Kaleckian growth model'. The paper explores the feasibility, from a Kaleckian perspective, of influencing the growth path of an economy by changing tax rates within a balanced budget framework. The authors focus on the effects of taxation on the trend component of fixed investment, on the trend rate of growth in the capital stock and on the trend rate of capital utilization. The eighth paper, by Juan Carlos Moreno-Brid, deals with 'Capital flows, interest payments and the balance-of-payments constrained growth model: a theoretical and empirical analysis'. The purpose of this paper is twofold. The first is to fill a lacuna in current literature by presenting a version of Thirlwall's balance of payments constrained growth model that explicitly takes interest payments into account. The second is to assess the empirical adequacy of this model by applying it to the analysis of the Mexican case. Finally, the ninth paper, by Gilberto Tadeu Lima and Antonio J.A. Meirelles, focuses on 'Endogenous banking markup, distributional conflict and capacity utilization'. The paper elaborates a post-Keynesian dynamic macromodel of productive capacity utilization, income distribution and conflict inflation, in which the supply of credit-money is endogenous at the given nominal interest rate. The latter is determined by the banking system as a markup over the base rate, set by the monetary authority.

All papers published here have been peer-reviewed as have the majority of the other papers delivered at the conference (the exceptions are the three invited lectures published by Salvadori (2003b) and the papers published by Salvadori (2003a)). I want to take this opportunity to thank the referees who contributed to improving the published papers and advised me on the publishability of the papers. They are listed in the introduction in Salvadori (2003b). I want to thank also the members of the Scientific Committee of the Pisa Conference who shared with me the responsibility of selecting the papers to be given at the meeting. They are Giuseppe Bertola (European University Institute and University of Turin, Italy), Theo Eicher (University of Washington, USA), Duncan K. Foley (New School for Social Research, USA) and Heinz D. Kurz (University of Graz, Austria). Theo Eicher and

Heinz D. Kurz provided also advice in choosing referees during the editing of the proceedings. Last but not least I want to thank Andrea Lavezzi (University of Pisa) who has generously spent his time to help me both in the organization of the conference and in the organization of the refereeing process. He has shared with me all the hard work and the responsibility of the choices.

It is my sad duty to inform the readers that while this special issue was being prepared for publication, our colleague Rabindra N. Chakraborty, author of one of the papers, passed away.

REFERENCES

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