AT BGP: \( \frac{dx}{dx} = \left( \frac{1}{2} \right)^y = 0 \)  \text{Growth Rate OR Output Per Worker at BGP}

AT BGP: \( \frac{dy}{dx} = 0 \) \text{Output Per Worker: (1-\(\frac{r}{n}\)) \text{y} = \text{c}}

\[ \Rightarrow \hat{y} = \hat{c} = y \]  \text{Growth Rate OR Output at BGP is Equal TO MARGINAL OR POP. GROWTH}

\[ \hat{y} = \hat{c} = y \]  \text{Growth Rate OR Output at BGP is Equal TO MARGINAL OR POP. GROWTH}
Since \( k^p \Rightarrow A = \frac{k}{2} \) jumps up for a point like \( A \).

At \( A_2 \), \( k^a < 0 \) since

\[ A = k^a - (3 + 1)A \]

And \( \frac{k_2}{2} > 0 \)

That is: growth rate of \( A \) (cap per worker) is negative in

The periods immediately following this

GDP -

(cap. per worker at bgp (A^*) does not change)

Growth rate of output per worker at

bgp (\( A^* \)) does not change, it is still zero.

\[ \frac{\dot{A}}{A} \]

At time 0, \( x_0 = 0 \) that is

below \( y^{600} \)

level at bgp

This imply that at \( t = 0 \) \( A \) will be growing, i.e.
\[ a_0 > 0 \]

\[ \begin{align*}
\text{(2)} \quad & a \rightarrow b \\
\text{since } \ & a^2 = b & \Rightarrow \quad a^2 \rightarrow b^2 \\
\end{align*} \]

\[ \text{Output per worker along } AEP \]
In this case, if $x$ is from $a$ to $a'$, then $x$.

Since the growth rate of population growth implies lower capital per worker unit or labor at BGP (i.e., $\hat{L}_A < \hat{L}_B$).

In both countries at BGP, growth rate of output per...
worker is equal to the rate of technological change. Since that is the same in both countries $\frac{\overline{Y}^A}{\overline{Y}^B} = 0.8$

growth rate of tech
or rate of tech change

(1) \[ \hat{A} = \frac{\overline{Y}}{\overline{Y} - (\alpha A + (1-\alpha)C)} \]

\[ \hat{A} = 1.47 - \left[ 0.38 \times 1.6 + (1-0.38) \times 0.8 \right] = 0.521 \]

(2) cont. of input = \[ \frac{\hat{A} \times H(t+t)}{Y} \] = 0.095

% cont. of GDP = \[ \frac{\hat{A}}{Y} \] = 0.35

(3) since for H-k \[ \frac{\hat{A}}{Y} = 0.35 > 0.33 \]

=3.3%
(4) \( \hat{\theta} \) in \( \theta - k \) is:
\[ \hat{\theta}^* = 0.45 \]
\[ \Rightarrow \hat{\theta} \hat{\theta}^* \]

Since
\[ \theta = \hat{\theta} + \theta^* \]

Change in Law.
POS: \( \Rightarrow \) CARING UP
NEG: \( \Rightarrow \) FALLING BEHIND

(5) Gini coef: measure degree of income inequality.
Lower Gini \( \Rightarrow \) more equal income distribution.

Clean in nex has the more unequal income dist \( \Rightarrow \) highest Gini.
Japan has the more equal income distrib \( \Rightarrow \) lowest Gini.
Fixed exchange rate ⇒ price of currency fixed in dollar.
Gov. buys & sells dollars to keep price fixed.

Suppose people believe that price of dollar is fixed. Currency will go up (i.e. devaluation will occur) with:
1. Gov. demand more dollars.
2. People now think devaluation is more likely ⇒ D shifts right to D.
3. Gov. needs to sell more dollars.
4. Revenue drops so much that
5. The fixed exchange rate can't be sustained ⇒ a devaluation occurs.
(1) 2 sections: Agricultural
BEFORE EPZ → ONLY Agricultural
AFTER EPZ → BOTH
ONE INPUT ONLY: LABOR

MLA: DEMAND AGRICULTURAL (OUTPUT MARKET)
MLG: DEMAND MANUFACTURE (INPUT MARKET)

FULL EMPLOYMENT EXHAUSTED LABOR SUPPLY (1)

(2) W₀, W₁

BEFORE EPZ WAGE: W₀

AFTER EPZ WAGE: Wₐ > W₀

MLA: MPₐ, PA

MLG: MP₉, PC

W₀, Wₐ
On all together the