ABSTRACTS

DYNAMIC **INEFFICIENCY** IN **TRADITIONAL PRODUCER THEORY**. AN **APPLICATION** OF THE **SUPERIORITY THEOREM** OF THE LABOR **MARKET INEXISTENCE THEORY**

FERNANDO ANTONIO NORIEGA UREÑA

This article is an application of the Labor Market Inexistence Theory (TIMT) Superiority Theorem on an overlapping generations model. First, the results show the inefficiency dynamic of the system when the producers maximize the profits volume instead of the profit rate. Second, they show the expansive effect of progressive income distribution on the accumulation and consumption of the two generations. The system, under the maximization of the profit rate, is greater, according to Pareto, than the traditional profit function.

THIRLWALL´S LAW AND **FOREIGN** CAPITAL **IN BRAZIL**

ALEX LUIZ FERREIRA AND OTAVIANO CANUTO

This paper addresses the hypothesis of balance of payments constraint to income growth in Brazil through an extended version of "Thirlwall´s Law" [Thirlwall (1979)]. The period covered by the tests is from 1949 to 1999. We aim to complement existing applications of open-economy Keynesian models to Brazil by explicitly introducing the effects of net payments of interest, dividends and profits (of the balance of payments' current account) on the domestic income growth rate. Additionally, the paper presents a test of Granger causality regarding, on the one hand, income-elasticities of exports and imports and, on the other, economic growth. Our findings do not reject the hypothesis underlying Thirlwall´s Growth Law.

GLOBAL WARMING: AN **ECONOMETRIC ANALYSIS**

GUSTAVO VARGAS AND JULIETA LEO

The warming of the earth's surface is one of the most pressing topics on the global agenda today, not only for ecologists and institutions that study the environment, but also for governments of the different countries of the world and the population in general. The increase in the average temperature can cause grave consequences in the both the natural and social environments. The pattern of growth in productive activities has a high cost in terms of pollution and global warming, a reality this paper tries to quantify by means of a simple econometric analysis. The prognosis is that the continued consumption of fossil fuels at the present rate will lead to an average global temperature of almost 15°C; that is, 0.46°C higher than those registered in the year 1999.

CLUSTER IDENTIFICATION AND THE **FOSTERING** OF **MANAGERIAL COOPERATION**: THE CASE OF **BAJA CALIFORNIA**

NOÉ ARÓN FUENTES AND SÁRAH MARTÍNEZ-PELLÉGRINI

This paper aims to identify existing and potential clusters in Baja California, in order to design competitivity policies based on these clusters. Our basic assumption is that clusters are a convenient tool to foster regional economic development as it generates a sounder regional economic system, less dependent and with more chances to innovate by itself. The methodology proposed includes the use of a regional Input-Output Matrix, the algorithm of Czamanski and the Chenery-Watanabe coefficients. By these means key, basic, independent and pulling sectors and clusters are identified to evaluate the role each activity plays in the economic system and the potential results of fostering any of them. We suggest the competitivity policy proposal should include cluster identification and selection of actions according to their impact on strategic clusters and the strategic aspects of these organizations.