

Subject Index

- Air pollution, 8, 101, 178, 180,
201, 203–207, 209, 210,
245–247, 249, 250
- APEC, 115, 124
- Arbitrage, 74, 86
- Asian Four Little Dragons, 71
- Backward incidence, 7, 8,
191–193, 195, 197,
199, 250
- Beggar thy neighbor, 56, 59
- Budget constraint, 22–24, 28, 32,
35, 36, 48, 54, 64, 75, 76,
81, 86, 95, 144, 164, 165,
180, 181
 balanced budget, 84
 government, 76, 86
- By-product, 31, 32, 34, 61, 65, 66,
93, 94, 97, 117, 136, 142,
176–178, 180
- Capital–labor ratio, 15, 198, 199
- Capital tax/subsidy, 8, 56, 71, 97,
104, 108, 141, 145, 150,
236
 optimal capital tax, 83, 88, 89,
 98, 104, 146, 151, 153, 155
 destination or origin principle,
 237, 246
- Child labor, 4
- China, 2, 71, 115, 139, 159, 160,
211, 238, 239
- Closed economy model, 40
- Comparative advantage, 1, 24,
243, 248
- Consumption complements/
substitutes, 30, 33, 96, 118
- Consumption tax/subsidy, 7, 52,
78, 82, 203, 207, 209
- Content requirement, 6
- Contingent valuation, 38
- Convexity/concavity, 15, 17, 22
- Cost, 3, 4, 11, 13, 21, 22, 26, 32,
34, 36, 38, 43, 46, 52, 54,
55, 59, 79, 82–84, 102,
125, 144, 145, 147,
149–151, 177–179, 184,
185, 198, 238, 247–249
 cost function, 11, 13, 43, 62, 190
 iso-cost, 15, 16, 44, 45, 63
 unit cost, 13, 26, 43, 50, 52, 62,
 178, 186
- Cramer's rule, 196
- Demand, 23
 compensated demand function,
 23, 29, 48
- Dichotomy, 21, 24, 27
 Heckscher–Ohlin model, 12,
 14, 16, 18, 21, 24, 45

- Double dividend, 33, 60, 68, 125, 179, 249
- Double taxation, 85, 96
- EC, 92
- Economies of scale, 1
 - international, 1
- Endangered Species Act, 51
- Envelope theorem, 17, 23, 46, 49, 74, 95, 116
- Environmental preservation/
 - standard, 5, 37, 38, 47, 51, 59, 60, 71, 73, 74, 83, 93, 139
 - threshold level of, 73, 234
 - tolerable level, 201, 203, 207–209
- Environmental tax, 6, 36, 65, 78, 83, 135
 - optimal tax rate, 6, 51, 59, 88, 103, 106, 126, 127, 130, 153, 234
- Euler theorem, 198
- Expected utility, 211–213, 226, 228, 230, 231, 233, 247
- Expenditure function, 22, 23, 32, 47, 48, 64, 75, 95, 118, 143, 164, 180
- Export processing zone, 25, 30
- Export requirement, 6, 113, 119, 123, 127, 132, 135, 176
 - optimal export requirement, 122
- Externality
 - consumption, 2, 51, 239
 - environment, 120, 135, 215
- Factor endowment hypothesis, 3
- Factor intensity, 15
 - capital, 2, 3, 14–17, 25, 27, 30, 69, 96, 111, 113, 163, 164, 192, 198, 199
 - reversal, 15
- Factor mobility, 6, 244
- Factor ownership, 8, 237, 276
- Factor price effect, 14, 20
 - Heckscher–Ohlin model, 12, 14, 16, 18, 45
 - specific factor model, 18–22, 25
- Factor price equalization, 11
- Factor requirement, 13
 - capital, 13, 14
 - labor, 13, 43
- Firm, 4, 5, 191, 214, 226–228, 230–233, 236, 242
 - down-stream, 5, 37, 39, 40
 - multinational, 4, 92, 241
 - up-stream, 5, 6, 39, 40, 60, 67
- First-best, 51, 65, 78, 99, 120, 145, 168
- Foreign investment, 24, 25, 97, 99, 100
- Fragmentation, 4, 235, 238, 245
- Full employment, 13, 19, 26, 52, 179, 192, 194, 195, 198, 205, 215, 229, 236
- GATT, 1, 92, 114, 120
- GDP, 2, 95, 114, 118, 162, 163
 - augmented GDP, 2
- General equilibrium model, 14, 22–24, 37, 109, 115, 141, 176, 188, 191, 202, 241, 248

- Globalization, 3, 4, 8, 140, 235, 236, 238, 244
- Harris–Todaro model, 38, 42, 56, 59, 73, 246, 248
migration function, 38, 42
- Heckscher–Ohlin model, 12, 14, 16, 18, 21, 22, 24, 25, 27, 32, 36, 45, 56
- Homogeneity, 17, 20, 98
linear, 17, 29
- Hong Kong, 71, 91
- Hybrid model, 25, 27
- Immiserization, 25, 187, 189
aid, 25, 28
capital inflow, 25
- Import demand function, 23, 29, 33, 36
- Income distributional effect, 15
- Income effect, 29, 49, 77, 182
- India, 2
- Input model, 35
- International rivalry, 59
- International tax credit, 6, 72, 85, 101, 152
- Japan, 2, 92
- Jobless recovery, 4
- Korea, 71
- Kuznets curve, 236
- Labor tax, 230, 232, 234
- Labor union, 236
- LDCs, 92, 93
- Leontief technology, 41, 62
- Marginal damage, 6, 118, 120, 164, 205, 214
of pollution, 32, 33, 59, 67, 95, 135, 168
- Marginal product, 12, 19, 20, 43, 143, 162, 193, 233
- Marginal propensity to consume, 24, 49, 66, 96, 145, 183, 189
- Marginal returns, 12, 19, 20
- Marginal utility of expenditure, 23
- Mexico, 92, 244
- Minimum wage, 39, 42, 44, 56, 62, 63, 65, 127, 192
- Multiple equilibria, 108, 141, 155, 156
- Niskanen government, 73, 77, 83, 91
- Non-traded good, 25, 26, 28–30, 38
- North–South trade model, 93
- OECD, 85, 101
- One city model, 7
- Output effect, 16, 21, 27, 125, 130
Heckscher–Ohlin model, 12, 14, 16, 18, 45
specific factor model, 18, 19, 21, 22, 25
- Outsourcing, 4, 238
- Pareto optimality, 207, 227
- Perfect competition, 13, 26, 72, 129, 193

- Pigouvian tax, 33, 59, 99, 120, 127, 130, 145, 201
- Pollution, 32, 35
 abatement, 34, 161, 177–179, 184, 202, 203, 205, 207, 209, 212, 214, 228
 emission, 32, 34, 97, 121, 123, 125, 143, 161, 163, 164, 179, 180, 185, 201
 transboundary pollution, 164, 168, 173, 181, 189
- Pollution exporting, 91
- Pollution haven hypothesis, 3, 71, 244
- Pollution tax/subsidy, 32, 33, 60, 65, 93, 97, 117, 142, 160, 161, 179
 optimal tax, 33, 67, 98, 105–107, 114, 127, 130, 133, 134, 161, 166, 168
- Price effect, 20, 29, 30, 50, 182, 184, 185
- Price-output response, 21
- Price taker, 27
- Principle of decreasing/increasing uncertainty, 219, 220, 225, 226
- Product variety, 1
- Production function, 13, 25, 32, 35, 41, 62, 205, 214, 233
- Production tax/subsidy, 7, 52, 123, 203, 207, 209
- Profit maximization, 12, 13, 19, 193, 212, 215, 226, 227, 231, 233
- Protectionism, 3, 242, 246
- Quota, 53, 65, 78, 115, 119, 126, 129, 130, 133–135, 243
- Reciprocity relation, 17
- Revenue function, 17, 18, 22, 32, 34, 36, 46, 54, 74, 95, 116, 117, 143, 161, 177, 179
- Returns to capital, 24, 80, 82, 191, 194
- Returns to scale, 12
 constant, 12, 19, 41, 227
 variable, 14, 188, 241, 243, 245, 247
- Ricardo–Viner–Samuelson model, 18
- Risk aversion, 212, 219
 Pratt–Arrow measure of, 219
- Rybczynski effect, 16–18, 27, 56, 96
 theorem, 16, 46
- Second-best, 59, 60, 78, 93, 100, 107, 109, 120, 124, 127, 133, 145, 161, 166, 167, 170
- Shephard's lemma, 13, 162
- Singapore, 71, 92, 211
- Small open economy, 23–25, 55, 56, 74, 93, 94, 96, 100, 116, 120, 157, 238, 243
- Specific factor model, 18, 19, 21, 22, 25, 36
- Spotted owl, 37, 38, 51, 249
- Stability, 14, 29, 45, 57, 58, 66, 69, 84, 90, 129, 175, 182–186, 190, 246, 248

- Stolper–Samuelson effect, 14, 15,
17, 18, 27, 46
theorem, 16, 46
Supply function, 17, 18, 22, 29
- Taiwan, 71, 160
- Tariff, 23, 60, 94, 113, 116, 119,
120, 141, 142, 176, 237
distortion, 24, 25, 29, 30, 99,
113, 121
optimal tariff, 114, 141, 144,
145, 147, 149–151, 153,
155, 156
tariff-jumping, 6, 113, 155, 163
tariff multiplier, 24, 96, 121
- Tax competition, 71–73, 75, 77,
79, 81, 83, 85, 87, 89, 90,
244, 247, 249
- Tax coordination, 7, 159, 161
concertina rule, 7, 160, 169,
173, 174
harmonization rule, 7, 160,
171–173
uniform radial rule, 7, 160, 169,
170, 173
- Tax revenue, 52, 53, 65, 68, 72,
76–78, 80–82, 86, 89, 95,
102–104, 106, 110, 123,
130, 146, 150, 153, 155,
165, 168, 178, 185
- Taylor series, 213, 215–217,
226, 233
- Terms of trade, 7, 41, 59, 114,
162, 175, 182–189, 241,
243, 249
- Three sector model, 8, 61, 73
- Tied aid, 7, 175, 176
policy tying, 176
procurement tying, 176
project tying, 176
- Trade liberalization, 1, 3, 4, 92,
114, 139, 151, 152, 157,
159, 237, 248
- Transfer problem, 175, 249
transfer paradox, 186–188, 249
- TRIMs, 6, 8, 114, 116, 243
- Two city model, 7, 201, 202
- Two sector model, 42, 72, 94, 115,
141, 191, 196, 247
- Uncertainty, 7–9, 175, 213, 215,
217–221, 223–227,
229–231, 233, 234, 241,
242, 244, 245, 248, 250
- Unemployment, 6, 7, 37–39,
42–46, 50–56, 60, 63,
65–68, 188, 192, 194, 197,
199, 236, 241–245, 249
urban unemployment, 39, 43,
45, 46, 50, 51, 63, 65–67,
241, 243–245
- User pay principle, 6, 59, 142
- Utility, 11, 22, 23, 32, 47–49, 53,
54, 64, 73, 75–79, 83, 85,
87, 89, 95, 107, 118, 120,
143, 164, 180, 181, 192,
202–204, 206, 211–213,
215, 216, 218–220, 225,
226, 228, 230, 231, 233,
234, 247
government utility, 77, 78
iso-utility, 53

- separable, 13, 180
- utility function, 11, 22, 47, 49, 64, 75, 77, 78, 95, 143, 180, 202–204, 206, 213, 215, 216, 218, 225, 226, 228, 230, 231, 233
- VERs, 115, 119, 135
- VMPL, value of marginal product of labor, 20, 21, 27
- Volume of trade, 149
- Von Neumann-Morgenstern axiom, 216
- Wage–rental ratio, 15
- Walras' law, 23
- Willingness to pay, 38, 40, 52, 53, 64, 75, 89, 107, 180
- Win–win situation, 7, 139, 176, 185, 189
- WTO, 1, 4, 92, 115, 120, 124, 139, 140, 237, 238