

Uniqueness and Indeterminacy: Transitional Dynamics in a Model of Endogenous Growth

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Revised, March 29, 1993

Abstract

In this paper we study the dynamics of the endogenous growth model of Lucas [1988]. We characterize the regions of the parameter space that give rise to unique equilibria as well as the regions that yield a continuum of equilibria with positive growth rates. We find that a continuum of equilibria exists for very plausible parameters.

*The authors are indebted to Boyan Jovanovic and Aldo Rustichini for helpful discussions and comments. Technical assistance from the C. V. Starr Center for Applied Economics is gratefully acknowledged.