

Convergence and divergence – spatial aspects

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Abstract

The regional growth and convergence across Europe is an important research problem. The convergence is usually understood as approximating economy or groups of economies for stable balance state. Many analytical and econometric methods exist for evaluation of convergence. The most used empirical models do not account for spatial effects so they may lead to serious misspecification problems. Differences between models including spatial effects and models without them are presented.

Keywords

Spatial convergence, Spatial divergence, Solow-Swan model, Theory of economic growth.

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