

A Dynamic International Trade Model with Endogenous Fertility

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Abstract

This paper examines a two-country dynamic general equilibrium model with endogenous fertility. We show that the introduction of child rearing behavior brings about new properties in long run dynamics. After analysis about the existence, uniqueness, and local stability of long run equilibrium, we investigate the international trade pattern and comparative statics in order to see the differences with the standard dynamic international trade model.

JEL Classification: F43; J11; O41

Keywords: Dynamic Two-Country International Trade Model; Endogenous
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