Glossary

Y = Output
Y_d= Households' disposable income
T = Land
N = Labour, population
y = per-capita output
K = Physical Capital
k = Capital per worker
π = profits
L = Labour measured in efficiency units
λ = Efficiency units per worker
$\tilde{k}$ = Capital per unit of efficiency labour
$\tilde{y}$ = Output per unit of efficiency labour
H = Human Capital
h = Human Capital per worker
s = Fraction of disposable income devoted to physical capital accumulation
s_H = Fraction of disposable income devoted to human capital accumulation
s_R = Fraction of disposable income devoted to Research and Development
I = Gross investment in Physical Capital
I^H = Gross investment in Human Capital
$\tilde{h}$ = Human capital per unit of efficiency labour
$\breve{k}$ = Physical capital per unit of Human Capital
$\breve{y}$ = Output per unit of Human Capital
C = Private consumption
c = Private consumption per capita
β = Physical capital-output elasticity
α = Human capital-output elasticity
ν = Speed of adjustment to the steady state in the neo-classical growth model
δ = Depreciation rate
γ = Growth rate of per capita income/Growth rate of Harrod Neutral TFP
g = Hick Neutral rate of technological progress
ε = Externality
η = External effect of public inputs
ρ = Subjective discount rate
ψ = Fraction of working time devoted to rent-seeking
b = Productivity of rent seeking time
ϕ = Fraction of public expenditures which are unproductive
1-u = Fraction of human capital devoted to human capital accumulation
r = Real Interest rate
w = Real wage-rate
G = Productive government expenditures
τ = Production tax / income tax
τ_H = Tax on human capital income
τ_K = Tax on physical capital income
t = Time index