

## Facts and distortions in an endogenous growth model with physical capital, human capital and varieties

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**Abstract** This article studies a model with physical and human capital accumulation and varieties. The model includes several distortions: duplication effects, spillovers, creative destruction, surplus appropriability, and an erosion effect. We show that the duplication effect in R&D is essential to make the model replicate several stylized facts linked with R&D. We evaluate the distance to the optimal solution, comparing the strength of each distortion.

**Keywords** Endogenous growth models · Convergence · Distortions

**JEL Classification** O11 · O15 · O31 · O33 · O41

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