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Brecher, Chen and Choudri (645-646) base their study on the assumption that there are technological differences among nations. Thus, they have investigated the impact of international technological differences and advantages that countries enjoy over one another by using three-good Findlay-Komiya and two-good Oniki-Uzawa-Stiglitz models, which are extensions of Heckscher-Ohlin framework. The researchers have also incorporated comparative and absolute advantage in technology dimension to explain the results. From an analytical perspective, Brecher et al (653) highlight two interesting new results of which first is about a country with Hicks-neutral advantage and absolute technological advantage will enhance its exports of capital-intensive products, whereas a country with comparative technological advantage in any product will increase its exports due to cost-efficiencies and cost minimizations though small. Hence, the researcher would like to argue that technological dominance in global economy plays an important role in determining trade patterns, exportable goods and exports volume of different countries. Previously, there was greater reliance on factor abundance but today the resource depletion has forced both advanced and emerging economies to upgrade existing systems through modern technology for resource conservation. However, the economies with capital abundance may utilize their financial resources to cause future changes in absolute and comparative technological advantages, which are accomplished through significant investments in research and development.

Reference

Brecher, R. A., Chen, Z. & Choudri, E. U. “ Absolute and Comparative Advantage, Reconsidered: The Pattern of International Trade with Optimal Saving.” *Review of International Economics* 10. 4 (2002): 645-656. Web. Nov. 20, 2014