



UNIVERSITY OF  
CAMBRIDGE

Department of Land Economy

**Land Economy Departmental Seminar Series:  
Lent Term 2013**

Wednesday, 6<sup>th</sup> February 2013 4pm, Mill Lane Lecture Room 7

**National innovation systems and the external constraint on  
growth:  
A theoretical approach with empirical evidence.**

*Abstract:*

Differences in the income elasticities of demand for imports and exports between countries result in an external constraint on growth to different degrees. This argument has been pointed out by Prebisch and other authors who deal with export-led growth models. However, a consensus has not yet emerged as to the extent to which the income elasticities can be considered as exogenously determined. In this seminar, we use the evolutionary concept of the National Innovation System to address this question and to show why there are differences in income elasticities of demand between countries. The aim is to show theoretically that there is a causal relationship between an economy's National Innovation System, its income elasticities of demand for imports and exports, and its performance on the current account. Empirical evidence and a Granger causality test are presented and these do not reject the core argument of the paper.

*Speaker:*

**Professor Marco Flávio da Cunha Resende**

*Biography:*

Marco Flávio Da Cunha Resende is Senior Lecturer at The Federal University of the State of Minas Gerais, UFMG, CEDEPLAR and Economics Department, Brazil. He is currently director of the Brazilian Keynesian Association (AKB) and visiting scholar at the Department of Land Economy, University of Cambridge. He is also a researcher at the National Council Research (Conselho Nacional de Pesquisa/CNPq), Brazil. He was a researcher at the Federal Bureau of Applied Economic Research (Instituto de Pesquisa Econômica Aplicada), IPEA, Brasília - Federal District, Brazil. He was the editor of the Industrial Policy Bulletin at IPEA (Boletim de Política Industrial/IPEA). His research interests include Post Keynesian Economics and economic growth. He has published as sole author as well as co-author in academic journals and contributed in the form of invited chapters to books.