Abstract
From the 1950s to the 1970s the central preoccupations of the international research and policy agenda was to come to terms with underdevelopment. During this period a theoretical framework—structuralism—shaped the debate on the issue. There are many differences within structuralism, but its contributors share the view that underdeveloped countries are significantly different from industrial advanced ones. Hence they could not follow the same “paths” towards development. Some authors even went beyond that arguing that structural inequalities in international economic and geo-political relations were the main causes of underdevelopment. Other consensual points of these writers were the understanding that (i) structural changes and specific knowledge and policies were necessary to overcome backwardness and (ii) that structural changes would require government intervention. The emphasis of the agenda changed dramatically in the late 1970s as a crisis—which combined stagnation, inflation and unemployment—started in developed countries and spread throughout the world. This had a parallel with the diffusion of orthodox monetary-based thinking, which became the hegemonic paradigm throughout the 1980s and 1990s. However, significant difficulties remained in understanding the nature of the crisis, the specificities of the IT revolution and the acceleration of globalization, as well as in conceptualizing the problems and in formulating policy prescriptions to cope with it. One of the most fruitful alternative thinking developed in advanced countries came from a resurrection and updating of earlier thinking that emphasized the role of innovation as an engine of economic growth and the long-run cyclical character of technical change. Christopher Freeman’s now famous paper of 1982 pointed out the importance that Smith, Marx and Schumpeter attached to innovation (p. 1) and accentuated its systemic and national character (p. 18). He also stressed the crucial role of government policies to cope with the uncertainties associated with the upsurge of a new techno-economic paradigm and the very limited circumstances under which free trade could promote economic development. In the South, neo-liberalism had a negative impact on the previous structuralism consensus. The leading proponents of what Toye (1987) has called the ‘counter-revolution in development theory and policy’ introduced a radical neo-liberal agenda in which “development practically disappears as a specific question (remaining) only as the welfare achieved by the elimination of obstacles to market functioning” (Arocena and Sutz 2005, p. 16). This agenda stated that long-run growth should be maximized through the pursuit of short-run allocative efficiency as determined by market prices: and that even if market failures existed, imperfect markets were better than imperfect states. The basic neo-liberal principle has been that underdevelopment is simply the result of bad allocation of resources and that is virtually exclusively caused by government intervention (with the proliferation of controls that distort prices and the existence of an over-dimensioned public sector) and reduced the complex problem of underdevelopment to a matter of simply following some simple economic “recipes” (get the prices right, get the property rights right, get the institutions right, get the governance right, get the competitiveness right) based on replicating Anglo-American institutions throughout the world and orthodox textbook ideas about liberalization of international trade and investment, privatization, and deregulation (Chang 2005). By proposing a world where countries would converge if they followed the same liberalizing economic recipes and using their economic and political power to influence government and intellectuals, international organizations forced a radical shift in the nature of the debate. One of the most significant by-products of these views was that previous theorizing about development and underdevelopment coming from Latin America was almost totally discarded as a frame of reference for understanding and changing the world. Another consequence, perhaps more disturbing, is that 25 years of neo-liberal experimentation with economic policies led to a more divided world, with the gap between rich and poor countries (and people inside countries) widening and poverty and starvation increasing. Since it was formulated in the 1980s, the Systems of Innovation approach has been
This article discusses examples of nonlinear models of economic dynamics and possibilities of their research by numerical procedures in MATLAB. Demonstrated specific effects of these models, in particular, the possibility of forming a chaotic behavior. Added: May 18, 2014. The major evolutionary processes are emphasized and the core problems for the present period of time are identified. Also, a separate scenario forecasts for the next 5-10 years are formulated. In the course of the analysis it was separately allocated problems associated with the functioning of global financial markets and their negative impact on economic growth. Added: Nov 18, 2016. Dynamical Interaction between Financial and Business Cycles. Innovation by businesses is achieved in many ways, with much attention now given to formal research and development (R&D) R&D help spur on patents and other scientific innovations that leads to productive growth in such areas as industry, medicine, engineering, and government. Yet, innovations can be developed by less formal on-the-job modifications of practice, through exchange and combination of professional experience and by many other routes. The more radical and revolutionary innovations tend to emerge from R&D, while more incremental innovations may emerge from practice – bu The 'systems of innovation' literature examines how a set of institutions responsible for knowledge creation and diffusion stimulate innovation, thereby driving economic growth. While typically related to supply side innovation, we focus on how they stimulate innovation in consumption technologies and changes in the consumer’s propensity to adopt novel goods and services – what we label systems of demand innovation. We contend that the degree to which consumers heed expert advice depends on how efficaciously such advice fits with the consumer’s pre