

THE TECHNOLOGY GAP APPROACH REEXAMINED

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One central idea in the applied evolutionary literature on economic growth and international trade is that there exist large gaps across countries in the ability to create, absorb and profit from new technology and that this is an important factor behind differences in economic performance. In this paper we trace the origins of this idea, discuss the relationship to evolutionary theory, review its applications and explore the explanatory power of this approach with respect to the cross-country differences in economic growth in the last decades.