

Abstract

Velasco, Raquel. "Is there an external constraint on growth in Colombia from 1925 to 2000?", *Cuadernos de Economía*, v. XXV, n. 44, Bogotá, 2006, pages 99-118

Based on the balance-of-payments constrained economic growth model, the empirical validity of the simple rule in Colombia in the 1925-2000 period is tested. Since a stable long-term relationship or cointegration vector is not found between GDP and exports for this period, the simplifying hypothesis of the simple rule is analyzed and possible extensions of the model are shown. Finally, new research hypotheses are opened, based on the existence of a structural break in the Colombian economy in the mid-1970s, as suggested by other studies which, with a long-term perspective, analyze the advance of industrialization and the evolution of productivity.

Key words: Keynesian models, Thirwall's Law, foreign trade. **JEL:** C32, E12, F43, O11.