For what concerns the relationship between the Low Quality (LQ) and High Quality (HQ) scenarios, it must be pointed out that the LQ scenario leads (i) always to a higher rate of growth of employment, but at the price of stagnant wages, demand and human capital, and (ii) to a higher rate of growth of income only in the early part of the development process. These results can be compared to the observed real development paths which show that for successful economic systems the HQ scenario started to dominate at times variable between the early and the late 20th century for different countries. Thus, it seems that a transition occurred between an LQ scenario, which dominated during the 19th century, and the HQ scenario which emerged during the 20th century and subsequently became dominant. Our model predicts that such a transition had to take place if the economic system was mainly driven by income generation rather than by employment generation.

The policy implications can be complex because the patterns detected for the long run do not automatically provide us with the best policy guidance for the short run. Fig. 8 shows that the timing of the transition between the LQ and the HQ scenarios depends on the combination of different model parameters. This implies that a pattern which applied generally to the relationship between some variables, such as wages and growth, can take different forms in each short run period. For example, while growing wages were an important component of the observed economic development path, we cannot assume that raising wages at any given time will affect positively growth.

The suggestion to provide a deeper analytical description of the properties of the model is welcome. We are working on it. TEVECON is constituted by a general core, common to all extensions, and by exten-
sions which explore particular aspects of the economic system. We have given a complete description of the core in Pyka and Saviotti (2011) and refrain from it in journal papers mostly for reasons of space. However, we accept the referee's suggestion and we are working on a 'compact' as well as graphical description which can be used in different papers.

To test the stability of TEVECON we have carried out several explorations of parameter space, in addition to those which have been published to make sure that TEVECON's results were not too sensitive to small changes of parameter values. These explorations showed that a) in general TEVECON is not unduly sensitive to such variables and that b) depending on the region of parameter space TEVECON can give rise to self-sustaining development or to the collapse of the economic system, which would then loose the capacity to create new sectors and to support the existing ones. For the stability and robustness tests we compile so-called corridors which describe parameter spaces with stable qualitative development paths (e.g. Saviotti and Pyka, 2004, Appendix). Furthermore, we differentiate the steady states that we can find from a general equilibrium. A general equilibrium is not compatible with an economic system characterized by endogenous innovation and changing composition. We have local equilibrium between demand and supply at the sector level.

TEVECON has some parameters based on initial conditions and we explored their impact on economic development. In some cases their impact on predicted growth patterns is limited, in others more noticeable, but never as large as to completely change economic development patterns. A sensitivity of development paths in dependence of small deviations from starting values cannot be observed. However, we agree with the referee that further work in this direction would be useful.

References
