

European Association for Evolutionary Political Economy **NEWSLETTER**

No.1

JANUARY 1989

INTRODUCING EAEPE

EAEPE was formed at a conference at Grim's Dyke, London in June 1988. The Theoretical Perspectives were agreed (reproduced in this newsletter) and it was resolved to form an association with the aim of promoting these ideas in the European arena.

Much concern was expressed about the sorry state of orthodox economics. The main purpose was to form an association of European social scientists who wished to promote a more evolutionary, dynamic and realist perspective. Instead of a predilection for the over-formal theory of the current orthodoxy, normally based on atomistic assumptions in an equilibrating framework, the aim was to bring together the more appropriate ideas of a number of theorists and to help to develop a more adequate approach to economic theory and policy.

The consequence was the birth of EAEPE, a non-profit-making Association of economists and other social scientists.

The response to this initiative has been most encouraging. At the time of writing, less than six months after the Grim's Dyke conference, EAEPE has 99 paid-up members in 17 countries. 79 members are in Europe: in Austria, Belgium, Denmark, Finland, France, Ireland, Italy, The Netherlands, Norway, Sweden, Switzerland, The United Kingdom, West Germany and Yugoslavia. The remainder is distributed between Australia, Japan and the United States.

This initial burst of membership has given EAEPE the financial solvency to build further. Efforts are being concentrated on our 1989 conference on the theme of 'European Economic Integration' (see announcement in this newsletter). In addition, the conference will have a session for EAEPE members, devoted to the formalisation of the EAEPE constitution and aims. This will include a resolution as to what will be the main language(s) for the Association, as well as resolutions concerning its structure. Immediately after the conference, EAEPE officers and committee members will be elected by the members by postal ballot.

In the meantime, EAEPE is being run by an Ad Hoc Steering Committee with the following members:

Richard Bailey	Newcastle upon Tyne Polytechnic	U.K. (<i>Treasurer</i>)
Wolfgang Blaas	Technical University, Vienna	Austria
Robert Delorme	CEPREMAP, Paris	France
Kurt Dopfer	University of St. Gallen	Switzerland
John Groenewegen	Erasmus University Rotterdam	The Netherlands
Geoff Hodgson	Newcastle upon Tyne Polytechnic	U.K. (<i>Gen. Secretary</i>)
Egon Matzner	Wissenschaftszentrum Berlin	West Germany
Lars Mjoset	Oslo Instit. for Social Research	Norway
Klaus Nielsen	Roskilde University Centre	Denmark
Angelo Reati	European Commission, Brussels	Belgium
Ernesto Screpanti	University of Florence	Italy
Peter Soderbaum	Univ. of Agricultural Sciences	Sweden

Membership of EAEPE entitles you to a regular newsletter, access to a developing information network, reduced conference fees and reduced journal subscriptions (see item on the *Review of Political Economy* in this newsletter.) Membership fees paid now, or already paid, are valid until 31st December 1989.

Geoff Hodgson, EAEPE General Secretary.

This newsletter was edited by the Secretariat and printed by Millside Print & Design, Bishop's Stortford, Hertfordshire, U.K. Forthcoming issues of the newsletter will include theoretical articles of interest to EAEPE members, as well as news and other items. Please send material to the General Secretary by 1st May 1988, for inclusion in the next issue. Articles will not be refereed, but the Secretariat reserves the right to decide what is to be included.

EAEPE 1989 CONFERENCE

20-22 September 1989

Keswick, Cumbria, U.K.

Theme:

'European Economic Integration'

The first EAEPE Annual Conference will be held in the beautiful English Lake District, in the Keswick Hotel, Keswick. Papers are invited around the general theme of 'European Economic Integration'. Topics covered are likely to include: unemployment, finance and monetary integration, technological change, industrial policy, post-Fordism and flexible specialisation, defence expenditure, the environment, agricultural policy, market structures, globalisation, economic growth, and rivalry with other pan-national blocs.

Participants wishing to submit papers are invited to send a title with a 400-600 word abstract to the Conference Secretary at the address below, by 1st March 1989. If the paper can be fitted into the schedule of the conference then a final version will be requested for 14th August 1989. Papers may be of a theoretical or of an applied nature, and there will be possibilities for future publication, perhaps in a volume of selected conference papers, or in the *Review of Political Economy*.

In addition, an aim of the conference will be to help promote research collaboration on a European basis, by facilitating contacts and promoting discussion.

The cost of the conference will be £250 for hotel residents and £150 for those wishing to find their own accommodation. EAEPE members are entitled to a £20 discount. And for early booking and payment, i.e. prior to 1st May 1989, there is a further discount of £30. There is a supplement of £10 per night for a single room, otherwise twin or double rooms will be provided. Information will be provided for those wishing to find their own accommodation in Keswick, and there will be an Assistance Fund for those unable to afford travel expenditure and the full conference fee.

In addition to the academic side of the conference, a few hours will be devoted to the formal inauguration of EAEPE and the determination of its constitution. Important decisions will be made, such as concerning the venue of the 1990 conference, the language(s) of the Association, and the structure of its Steering Committee. Partly to expedite this business there will be a pre-conference, in the same location, on 19-20 September. Members of EAEPE, and those wishing to join the Association, are invited to participate in this pre-conference.

The supplementary fee for the pre-conference is £80 residential, and £20 non-residential. Residential fees include breakfast, lunch and dinner, and non-residential lunch only, where appropriate, at the Keswick Hotel. All cheques should be made payable to 'EAEPE'.

Participants are invited to book early because space in the hotel is limited. Abstracts, requests for application forms, and other administrative matters, should be sent to:

EAEPE Conference Secretary,
Department of Economics and Government,
Newcastle upon Tyne Polytechnic,
Newcastle upon Tyne, NE1 8ST, U.K..

KESWICK: THE VENUE FOR EAEPE'S 1989 CONFERENCE

Keswick is situated in the midst of the English Lake District, less than 50Km from the Scottish border. Although it is easily accessible by public transport, including from Manchester, Prestwick, Glasgow and Newcastle airports, the Shell Guide to England declares that lying 'in a beautiful position below the towering bulks of Skiddaw [931m] and Saddleback [868m] ... it has a remote and almost magical quality'.

'Its beauty has made the town a mecca for poets, artists and visitors from all over the world. The town is attractive in itself, with intriguing narrow streets and buildings of old, grey stone; a natural convergence of roads makes it an excellent centre for tours to other parts of Lakeland.' (1970 edition, pp. 866-7)

Cumbria still bears the marks of its long history. Castlerigg, perhaps second only to Stonehenge as a megalithic monument, lies 3Km east of Keswick, in a magnificent setting. It is a druid circle about 30m in diameter, formed of 38 large stones, inside of which there is an oval ring of 10 more.

The place names indicate a many-layered history. The Celts gave the names of many of the mountains, rivers and lakes. In the ninth century the Vikings began to settle, most of them of Norwegian origin. The Norse have left their mark in many place names, field patterns, and the local dialect, as well as a number of monuments in Penrith and elsewhere.

In addition to the Celts and Vikings there was an Anglo-Saxon settlement, and the area was actually part of the Scottish kingdom of Strathclyde until the twelfth century, when it was invaded by the Normans.

It is not only the location, but the Keswick Hotel that makes the venue ideal. The hotel is an impressive Victorian building set slightly above the town in 3 hectares of lawns and gardens. There are several meeting rooms, a bar, and an impressive conservatory. About 100m away is the Keswick Leisure Centre with a large swimming pool, and entrance is free to guests of the hotel.

Penrith railway station is on a main Inter-City line connecting London, Manchester and Glasgow, and is 28Km from the hotel. Adequate transportation from and to the station by taxis or minibuses will be ensured.

THEORETICAL PERSPECTIVES

Agreed by founder members at Grim's
Dyke, London, 29 June 1988

Evolutionary political economy provides an alternative to neoclassical economic theory in the following terms:

1. The approach to analysis is based on successive, critical abstraction of relevant tendencies and linkages in actual economic systems - instead of a methodology which sanctifies fictions and diverts attention from the difficult task of analysing real world phenomena.
2. The analysis is open-ended and interdisciplinary in that it draws upon relevant material in psychology, sociology, anthropology, politics and history, as well as economics itself - instead of defining economics of a rigid method which is applied indiscriminately to a wide variety of social, political or economic institutions.
3. The conception of the economy is of a cumulative and evolutionary process unfolding in historical time in which agents are faced with chronic information problems and radical uncertainty about the future - instead of approaches to theorizing which focus on equilibria.
4. The concern is to address and encompass the interactive, social process through which tastes are formed and changed, the forces which promote technological transformation, and the interaction of these elements within the economic system as a whole - instead of a theoretical framework that takes individuals and their tastes as given, and technology as likewise exogenous.
5. It is axiomatic to regard the market itself as a social institution, necessarily supported by a network of other social institutions such as the state, and having no unqualified nor automatic priority over them - instead of an orientation which takes the market as an ideal or natural order and as a mere aggregation of individual traders.
6. The enquiry is value-driven and policy-orientated and recognizes the centrality of participatory democratic processes to the identification and evaluation of real needs - instead of a utilitarian outlook which separates considerations of means from those of ends, and judgements of fact from those of value.

7. The Association accepts the relevance of writers as diverse as John Commons, Nicholas Kaldor, William Kapp, John Maynard Keynes, Alfred Marshall, Karl Marx, Gunnar Myrdal, Karl Polanyi, Joan Robinson, Joseph Schumpeter, Adam Smith, Thorstein Veblen and Max Weber to institutionalist and evolutionary thought.

REVIEW OF POLITICAL ECONOMY

EAEPE has close but informal links with the *Review of Political Economy*, including a reduced subscription for EAEPE members. The *Review* is designed to encourage contributions from non-orthodox groups such as Post Keynesian, institutionalist, subjectivist and behavioural economists. However, submissions from a variety of economists doing creative work in the broad traditions of political economy are welcome.

Subscriptions to the *Review* are £45 for institutions, £23 for individuals, and £20 for members of EAEPE. Payment may be by Access, Visa, American Express, or cheque. Write to: Edward Arnold Journals, 41 Bedford Square, London WC1B 3DQ, U.K.

Articles to be considered for publication should be sent in quadruplicate to: Professor John Pheby, Department of Government and Economics, City of Birmingham Polytechnic, Perry Barr, Birmingham B42 2SU, U.K.

INTERNATIONAL CONFERENCE ON:

Industrial Restructuring and Social Change in Western Europe: The Dawning of a New Era of Flexible Accumulation?

Organised jointly by two study groups of the Institute of British Geographers, a two-day residential conference on the above theme will be held in the University of Durham, U.K. on 26th-28th September 1989

For further information contact: Ray Hudson or Jim Lewis at the Department of Geography, University of Durham, Durham DH1 3LE, U.K. Telephone 091 374 2452 or 091 374 2459.

Participants wishing to submit papers should send a 300-word abstract by 31st January 1989 to Mrs. J. Andrews at the above address.

RECENT PUBLICATIONS BY EAEPE MEMBERS

The following publications, in whole or in part, are authored by members of EAEPE, and have been published during 1988. It is hoped that this feature of the EAEPE Newsletter will facilitate the dissemination and development of the sort of ideas with which EAEPE is associated, and to identify journals and publishers which are receptive to such ideas. EAEPE members are invited to send details of their publications for December 1988-March 1989 to the General Secretary for the next issue. Please send details of refereed academic publications, and within the specified time limit, only.

P. ARESTIS, North East London Polytechnic, U.K.

Arestis, P., *Contemporary Issues in Money and Banking*, Macmillan, London, 1988.

Arestis, P., (ed.), *Post-Keynesian Monetary Economics: New Approaches to Financial Modelling*, Edward Elgar, 1988.

Arestis, P., 'The Credit Segment of a UK Post Keynesian Model', *Journal of Post Keynesian Economics*, Winter 1987-88, pp.250-69.

Arestis, P., 'The Demand for Money in Small Developing Economies: An Application of the Error Correction Mechanism', in P. Arestis (ed.) *Contemporary Issues in Money and Banking*, op.cit.

Arestis, P., 'Money in an Open Economy: The Case of the UK', *Cyprus Journal of Economics*, June 1988.

Arestis, P., Review of B.P. Bosworth and A.M. Rivlin (eds.), *The Swedish Economy*, *Journal of Economic Issues*, March 1988, pp.303-7.

N.G. CLARK, University of Sussex, U.K.

Clark, N.G. and Juma, C., 'Evolutionary Theories in Economic Thought', in C. Freeman et al (eds.), *Technical Change and Economic Theory*, Pinter, London, 1988.

Clark, N.G., 'Some New Approaches to Evolutionary Economics', *Journal of Economic Issues*, Vol.22, June 1988, pp.511-31.

K. DOPFER, University of St. Gallen, Switzerland

Dopfer, K., 'In Memoriam: Gunnar Myrdal's Contribution to Institutional Economics', *Journal of Economic Issues*, Vol.22, March 1988, pp.227-31.

Dopfer, K., 'How Historical is Schmolter's Economic Theory?', *Journal of Institutional and Theoretical Economics (Zeitschrift fur die gesamte Staatswissenschaft)*, June 1988.

Dopfer, K., 'Classical Mechanics With an Ethical Dimension: Professor Tinbergen's Economics', *Journal of Economic Issues*, Vol.22, September 1988, pp.675-706.

Dopfer, K., 'Reply to Jan Tinbergen', *Journal of Economic Issues*, Vol.22, September 1988, pp.854-5.

A. DOW, University of Stirling, U.K.

Dow, A. and Dow, S., 'Idle Balances and Keynesian Theory', *Scottish Journal of Political Economy*, Vol.35, August 1988, pp.193-207.

G. DOW, Griffith University, Queensland, Australia.

Boreham, P., Clegg, S. and Dow, G., 'Political Organization and Economic Policy', in G. Duncan (ed.), *Democracy and the Capitalist State*, Cambridge University Press, Cambridge.

J. FOSTER, University of Glasgow, U.K.

Foster, J., Review of *The Economics of Invention: A Study of the Determinants of Inventive Activity* by G. Wyatt, in *Scottish Journal of Political Economy*, Vol.35, August 1988.

Foster, J., Review of *European Trade Policies and the Developing World* by L.B.M. Mennes and J. Kohl (eds.), in *European Management Journal*, Vol.6, Autumn 1988.

Foster, J. and Malley, J., 'The Domestic and Foreign - Owned Sectors of Scottish Manufacturing: A Macroeconomic Approach to their Relative Prospects and Performance', *Scottish Journal of Political Economy*, Vol.35, August 1988, pp.250-65.

Foster, J. and Malley, J., 'Assessing the Impact of Foreign Direct Investment on the Scottish Economy: Some Regional Macroeconomic Evidence', in F. Harrigan and P. MacGregor (eds.), *Recent Advances in Regional Economic Modelling*, Pion, 1988.

J. GROENEWEGEN, Erasmus University Rotterdam, The Netherlands.

Groenewegen, J., van Paridon, K. and Schreuders, W., 'The Economic Theory of Political Decisionmaking: The Annual Conference of the Dutch Study Circle of Post-Keynesian Economics', *Journal of Economic Issues*, Vol.22, September 1988, pp.831-5.

G.M. HODGSON, Newcastle Upon Tyne Polytechnic, U.K.

Hodgson, G.M., *Economics and Institutions: A Manifesto for a Modern Institutional Economics*, Polity Press, Cambridge, 1988.

Hodgson, G.M., 'On Informational Reductionism: A Reply to Kay', *Journal of Economic Issues*, Vol.22, March 1988, pp.244-9.

Hodgson, G.M., 'The British Experience', in E. Nell, *Prosperity and Public Spending*, Unwin Hyman, London, 1988.

- M.P. van der HOEK, Erasmus University Rotterdam, The Netherlands.
 Hoek, M.P. van der, *Wat doen ze in Den Haag met ons geld?*, Wolters-Noordhoff, Groningen, 1988.
 Hoek, M.P. van der, 'An Incomes Policy for the Professions: The Dutch Experience', *American Journal of Economics and Sociology*, Vol.47, January 1988, pp.71-80.
 Hoek, M.P. van der, 'Pay Differentials By Sector in the Netherlands', *Atlantic Economic Journal*, Vol.16, March 1988, p.86 (abstract).
 Hoek, M.P. van der, 'Overheidsfinancien, handel en ontwikkeling', *Economisch Statistische Berichten*, Vol.73, 21 September 1988, pp.883-6.
- M. LOWGREN, University of Linköping, Sweden.
 Lowgren, M., *Dynamics of Pollution Control: A Regional Evaluation*, Linköping University Press, Linköping.
- R.E. MANSELL, University of Sussex, U.K.
 Mansell, R.E., 'Information and Telecommunication Technologies in Regional Development', *OECD STI Review*, No.3, April 1988.
 Mansell, R.E. (ed.), *New Telecommunications Services: Videotex Development Strategies*, OECD/ICCP Report No.16, Paris, 1988.
 Mansell, R.E., 'The Regulation of New Telecommunication Services: A Framework for Analysis and an Illustration of Practice', in *Proceedings of the Communications Policy Research Conference/87*, Centre for Communication and Information Studies, London, 1988.
 Mansell, R.E., 'Telecommunication Network-based Services: Regulation and Market Structure in Transition', *Telecommunications Policy*, Vol.12, September 1988.
- E. MATZNER, Wissenschaftszentrum Berlin, West Germany.
 Kregel, J.A., Matzner, E. and Roncaglia, A. (eds.), *Barriers to Full Employment*, Macmillan, 1988.
- A. MEIER, University of St. Gallen, Switzerland.
 Meier, A. and Mettler, D., *Wirtschaftspolitik: Kampf um Einfluss und Sinngebung*, Verlag Paul Haupt, Bern und Stuttgart, 1988.
- S. MERRETT, University College, London, U.K.
 Merrett, S. and Smith, R., *The Challenge of Empty Housing: Void Control in the Public Sector*, School for Advanced Urban Studies, Bristol.
 Hodges, B. and Merrett, S., *Access to Housing: the Problems for Employees and Potential Employees in Inner London*, Campaign for Homes in Central London, London, 1988.
 Merrett, S. and Smith, R., *Voids*, Housing Information Brief 4, Institute of Housing, London, 1988.
 Merrett, S. and Smith, R., 'Empty Dwellings and Tenure Switching: A British Case Study', *Housing Studies*, Vol.3, April 1988, pp.105-11.
 Merrett, S., 'Self-Built Housing and the Exploitation of Labour', *Housing Studies*, Vol.3, October 1988, pp.247-9.
- L. MJOSET, Institute for Social Research, Oslo, Norway.
 Mjoset, L., 'Jurgen Habermas og vaar tids kapitalisme' ('Jurgen Habermas and Contemporary Capitalism'), *Agora*, Vol.2, 1988, pp.101-37.
 Fagerberg, J., Cappelen, A., Mjoset, L. and Skarstein, R., 'The Decline of Social Democratic State Capitalism in Norway', in P. Camiller (ed.), *The Left in Western Europe*, Verso, London, 1988.
 Mjoset, L., Review of R. Erikson et al, *The Scandinavian Model*, in *Acta Sociologica*, Vol.31, 1988, pp.81-87.
 Mjoset, L., 'Fra lenestol til sporreskjema. Arne Naess, Oslo-skolen og den tidligste norske samfunnsvitenskapen', ('From Armchair to Survey. Arne Naess, the Oslo School and Early Norwegian Social Research'), *Sosiologi i dag*, 1988, pp.53-66.
 Mjoset, L., 'Johan Aakermans distinksjon - kalkyle og kausalanalyse. Om framveksten av et grunnleggende begrepsspar i den institusjonelle økonomien', ('The Distinction of Johan Aakerman - Economic Plans and Causal Analysis. On the Emergence of a Basic Pair of Concepts in Institutional Economics'), *Sosiologi i dag*, 1988.
- K. NIELSEN, Roskilde University Centre, Denmark.
 Nielsen, K. and Pedersen, O.K., 'The Negotiated Economy: Ideal and History', *Scandinavian Political Studies*, Vol.11, No.2, 1988.
 Nielsen, K., 'Den borgerlige regerings styring af den offentlige sehlars økonomi' ('The Management of the Public Sector of the Economy by the Bourgeois Government (In Denmark)'), in K.H. Bentzon (ed.), *Fra Vohst til Omstilling - Modernisering af den Offentlige Sektor (From Growth to Restructuring - Modernisation of the Public Sector)*, nyt fra samfundsvidenshaberne, København, 1988.
 Nielsen, K. (ed.), *Nyere Udvihlingstendenenser i Økonomisk Teori (Current Trends in the Development of Economic Theory)*, Jurist-og Økonomforbundes Forlag, København, 1988.
 Nielsen, K., 'Institutionel Økonomi' ('Institutional Economics'), in K. Nielsen, op.cit..
- J. PHEBY, City of Birmingham Polytechnic, U.K.
 Pheby, J., *Methodology and Economics: A Critical Introduction*, Macmillan, London, 1988.
- A. REATI, Commission of the European Communities, Brussels, Belgium.
 Reati, A. and Roland, G., 'Ondes longues et rgulation: le cas allemand', *Cahiers conomiques de Bruxelles*, no.117, 1988, pp.107-150.

K.W. ROTHSCHILD, University of Linz, Austria.

Rothschild, K.W., *Theorien der Arbeitslosigkeit (Theories of Unemployment)*, Oldenbourg-Verlag, Munich, 1988.

Rothschild, K.W., 'Micro-Foundations, Ad Hocery, and Keynesian Theory', *Atlantic Economic Journal*, Vol.16, June 1988, pp.12-21

G. SCHMID, Wissenschaftszentrum Berlin, West Germany.

Schmid, G. and Reissert, B., 'Do Institutions Make a Difference? Financing Systems of Labour Market Policy', *Journal of Public Policy*, Vol.8, 1988, pp.125-49.

Schmid, G., 'Les Systemes de Financement des Politiques d'Emploi', *Travail et Emploi*, No.36/37, 1988, pp.97-108.

Schmid, G., *Labour Market Policy in Transition: Trends and Effectiveness in the Federal Republic of Germany*, Efa-Report No.17, 1988, Swedish Ministry of Labour, Stockholm.

E. SCREPANTI, Universita Degli Studi di Firenze, Italy.

Screpanti, E., 'Some Demographic and Social Processes and the Problem of Kondratieff Cycle Periodicity', in M. Di Matteo (ed.), *Technological and Social Factors in Long Term Fluctuations*, Springer, Berlin, 1988.

Screpanti, E., 'A Model of the Political-Economic Cycle in Centrally Planned Economies', in L. Marcolungo et al (eds.), *L'economia mondiale in trasformazione*, Angeli, Milan, 1988.

Screpanti, E., 'Cicli, rivoluzioni e situazioni classiche nello sviluppo delle idee economiche', *Economia Politica*, Vol.2, no.19, 1988.

P. SKOTT, University of Aarhus, Denmark.

Skott, P., 'Finance, Saving and Accumulation', *Cambridge Journal of Economics*, Vol.12, September 1988.

Skott, P., 'Dynamics of a Keynesian Economy under Different Monetary Regimes', in P. Flaschel and M. Kruger (eds.), *Recent Approaches to Economic Dynamics*, Peter Lang Verlag, Frankfurt, 1988.

Auerbach, P. and Skott, P., 'Concentration, Competition and Distribution - A Critique of Theories of Monopoly Capital', *International Review of Applied Economics*, Vol. 2, January 1988, pp. 42-61.

Skott, P., Review of C. Pitelis, *Corporate Capital*, in *International Review of Applied Economics*, Vol. 2, January 1988, pp. 120-125.

A.H.G.M. SPITHOVEN, University of Utrecht, The Netherlands.

Spithoven, A.H.G.M., *Werkloosheid tussen Markt en Regulering: een Sociaal-Economische Studie von de Ontwikkeling von de Werkloosheid in Nederland aedert 1965. (Unemployment Between Market and Planning: A Socio-Economic Study on the Development of Unemployment in the Netherlands Since 1965; with a Summary in English)*, (thesis), Utrecht, 1988, (ISOR).

Brenner, Y.S., Reijnders, J.P.G. and Spithoven, A.H.G.M. (eds.), *The Theory of Income and Wealth Distribution*, Wheatsheaf Books, Brighton, and St. Martin's Press, New York, 1988.

Spithoven, A.H.G.M., 'A Case Study on Functional Income Shares and the Distribution of Income Between Investment and Consumption in 1965-1985', in Y.S. Brenner, et al, op.cit..

M.R. TOOL, State University of California at Sacramento, U.S.A.

Tool, M.R. (ed.), *Evolutionary Economics*, M.E. Sharpe Inc., Armonk, New York, and Eurospan, London.

A. TYLECOTE, University of Sheffield, U.K.

Tylecote, A., Review of S. Solomou, *Phases of Economic Growth: 1850-1973*, in *Economic Journal*, Vol.98, September 1988, pp. 855-7.

Tylecote, A., Review Note of T. Vasco, *The Long-Wave Debate*, *Economic Journal*, Vol.98, September 1988, p. 921.

REVIEWS SECTION

Books, a major part of which are authored or edited by EAEPE members, may be reviewed in the newsletter, subject to suitability and space. Normally, review copies will not be solicited from publishers; the onus is on EAEPE members to send review copies to the Newsletter Editor (currently G. Hodgson) for review.

Review of John Foster, *Evolutionary Macroeconomics*, Allen and Unwin, London, 1987.

This book provides an exciting and thought-provoking perspective on macroeconomic behaviour. By drawing on the evolutionary insights of a number of writers, most notably Boulding, Hirschman, Nelson, Okun and Winter, and, of course, Keynes, the author constructs an alternative to the 'neoclassical synthesis'.

The first third of the book represents a critical review of the development of macroeconomics in the post-war period, the reader being firmly directed toward the central contention that *homo economicus* is a fundamental stumbling block to macroeconomic understanding. In the context of Marshallian partial equilibrium, this 'one-dimensional man' can be accepted as a useful simplifying assumption; however, in the Walrasian general equilibrium framework this simplifying

assumption is transformed into a fundamental postulate. Any tinkering with *homo economicus* here, then the whole house of cards falls down. Little of the material is new but Foster provides a fluent articulation of the uneasiness concerning the micro-foundations of the aggregation, together with the frustrations of trying to use fundamentally static models to understand a dynamic and evolving reality.

The central section of the book provides the innovation - *homo creativus*. Like C.S. Lewis's door in the wardrobe, this takes the tired macroeconomist into a new world: a macroeconomy of process, structure and consciousness. Here the individual is not an isolated entity but a social being, combining characteristics of independence and integration. Behaviour encompasses dimensions of inertia and creativity, security and freedom. Consciousness is the social extension of the individual, a series of gestalts providing a macro-identity to resolve the aggregation problems. The macroeconomy, in Foster's view, is characterised by an interrelated hierarchy of consciousness, structure and process, with a biological analogue, and with the focus on entropy, maintenance and creativity.

The remaining sections attempt to develop this evolutionary framework as an analytical tool. This reviewer had some difficulty with the defining characteristics of the short-run and long-run; but, leaving this aside, the chapters dealing with 'structural change in the long-run', 'a framework for macro analysis' and 'the evolution of the mixed economy', offer valuable insights which are not available from a neoclassical perspective. Foster's work clearly represents a starting point and there is scope for both refining the framework of analysis and applying it to areas such as comparative economics and international economic relationships. Regrettably, with reference to the latter, the analysis presented is essentially 'closed economy'. The short chapter on 'curing stagflation' is somewhat disappointing in that it does not seem to offer anything new. The analysis here is somewhat thin and it does not persuade this reader that the recommended policies would produce the desired results.

In conclusion, this is not simply another 'interdisciplinary' approach to economic problems. By amending the fundamental postulates of *homo economicus* a welcome social and evolutionary dimension is restored. While much remains still to be done, Foster has developed a framework which provides a convincing challenge to orthodox macroeconomic theory.

R.E. Bailey, Newcastle upon Tyne Polytechnic

LIASON COMMITTEE FOR THE DEVELOPMENT OF THE THEORIES OF REGULATION

After the success of the International Conference on Regulation Theory in Barcelona, Spain, in June 1988, a Liason Committee has been set up to promote the development of regulation theory. Amongst other things it is planned to produce a regular bulletin, including news and matters of theoretical interest. The members of the Liason Committee:

Rolande Borrelly (Universite de Grenoble)
Robert Boyer (CEPREMAP, Paris)
Ferran Brunet (Universitat Autonoma de Barcelona)
Jaime del Castillo (Universidad del Pais Vasco)
Michel De Vroey (Universite Catholique de Louvain)
Renato Di Ruzza (Universite de Grenoble)
Andrew Glyn (University of Oxford)
Bob Jessop (University of Essex)
Amadeu Petitbo (Universitat de Barcelona)
Luis Toharia (Universidad de Alcalá de Henares)

Information and applications for membership of the Liason Committee are obtainable from:

Comite d'Enllac per al Desenvolupament
de les Teories de la Regulacio
c/o Centre d'Estudis de Planificacio (CEP)
Gran de Gracia, 71,
08012 Barcelona
Spain.

EAEPE ADDRESSES

EAEPE has the names and addresses of nearly 1100 academics on file, who are thought to be interested in evolutionary, institutional, post Keynesian, or radical economics. The membership of EAEPE is a subset of this larger list. In addition, there is a 'salient list' currently with about 200 names and addresses of people known to have some stronger connection with EAEPE, or its associated journal, the *Review of Political Economy*. The salient list is a subset of the larger list and the membership list is a subset of the salient list.

All these names and addresses are available to EAEPE members free of charge. In addition, address lists can be provided on a country-by-country basis. However, a charge of one penny (£0.01) per address will be made for peel-off labels.

It is hoped that this facility will be useful for EAEPE members in organising conferences, making contacts, circulating academic material, etc..

Institutions, and non-members of EAEPE, will be charged four pence per address, with a surcharge of one penny per item for peel-off labels.

In addition, EAEPE members may send printed material for inclusion in EAEPE mailings, such as book flyers, conference announcements, etc.. This service will be limited to one A4 sheet (or smaller) per member. Printed material must be sent to the General Secretary by prior arrangement and must be appropriate to the aims of EAEPE. The Secretariat reserves the right to reject inappropriate material.

THE KARL POLANYI INSTITUTE

The Karl Polanyi Institute of Political Economy was established in the spring of 1987 and is located at Concordia University's School of Community and Public Affairs in Montreal, Canada. The initiative for the creation of the Institute arose as a result of the interest expressed in the course of the Karl Polanyi Centenary celebration held in Budapest in October 1986, and most particularly the colloquium on the life and work of Polanyi organized by the Hungarian Academy of Sciences.

There is growing appreciation of the relevance of Karl Polanyi's world of thought to a variety of contemporary issues. *The Great Transformation* (1944) continues to attract the interest of scholars from diverse disciplines in various countries; it is now translated into seven languages and has been recognized as a twentieth century classic. Polanyi's far-reaching critique of the philosophical and historical foundations of liberalism and economic determinism opens important avenues of academic research based on a cross disciplinary approach.

The principal purpose of the institute is to sponsor academic research in the following areas:

(a) Methodological contributions to the study of the place of the economy in society.

(b) The extension of economics beyond the narrowly defined study of the laws of the market.

(c) In recognition of Polanyi's concern for the peaceful coexistence of differing social, political and economic formations.

(d) In recognition of a life spent as an educator, to develop his concern for working class and citizen education as an essential condition of participatory democracy.

(e) In recognition of the Central European origin of his world of thought, his explicit wish to contribute to East-West coexistence, and his ultimate place of rest in Hungary, to maintain a special relationship with the Hungarian Academy of Sciences; to sponsor research into the particular contribution of intellectuals of Central European origin; and to explore trends towards convergence of approaches to economic and social policy in the Eastern and Western countries of Central Europe.

The Institute houses the literary legacy of Karl Polanyi. A thirty-seven page catalogue details the holdings of the archive.

The above is reproduced, with slight editing, from the first Newsletter of the Institute (January, 1988). The address for further information is:

**Karl Polanyi Institute of Political
Economy
Concordia University
1455 ouest, boul. de Maisonneuve
Montreal, Quebec H3G 1M8, Canada.**

THE ASSOCIATION FOR EVOLUTIONARY ECONOMICS

EAEPE has close links with the US-based ASSOCIATION FOR EVOLUTIONARY ECONOMICS (AFEE), sponsors of the *Journal of Economic Issues*. AFEE has approximately 650 members and has published the *JEI* for more than twenty years.

Individual membership of AFEE, including a subscription to the journal, costs \$25.00 annually (\$12.50 for students). Remittances should be sent to: F. Gregory Hayden, Department of Economics, University of Nebraska, Lincoln, Nebraska 68588, USA.

INTERNATIONAL J.A. SCHUMPETER ASSOCIATION

The International J.A. Schumpeter Association, founded in September 1986, welcomes new members interested in sharing its agenda of furthering 'Schumpeterian' research, broadly construed. It currently has more than 350 members from 23 nations. Its second biennial conference, on the 'Evolution of Technology and Market Structure in an International Context', was held in Sienna, Italy, May 24-27, 1988. Its next conference, on 'Entrepreneurship, Technological Innovation and Economic Growth', will be held at Airlie House, Virginia, USA in 1990.

The Association awards in collaboration with the newsweekly *Wirtschaftswoche* a Schumpeter Prize in the amount of \$10,000. The first prize was received by Christopher Freeman for his book *Technology and Economic Performance*. The prize topic for 1990 is 'Economic Evolution: Theory and Evidence'. Sidney Winter of Yale University is chair of the prize committee.

Annual membership dues are DM 50 or the equivalent in US dollars. Membership applications can be obtained from Horst Hanusch, General Secretary, University of Augsburg, Memminger Strausse 14, 8900 Augsburg, West Germany, or F.M. Scherer, President, Swarthmore College, Swarthmore, PA 19081, USA.

EUROPEAN JOURNAL OF POLITICAL ECONOMY

The *European Journal of Political Economy* is devoted to the study of classical and neoclassical political economy, public choice and collective decision-making, law and economics, and economic history. *EJPE* publishes manuscripts in English and invites contributions from Europe as well as from overseas.

EJPE is a refereed journal. Manuscripts should be submitted in quadruplicate and should be no longer than 40 pages of double-spaced typescript. Shorter papers, notes and communications are most welcome.

The current subscription price is DM 84 per volume for individuals and DM 140 for institutions, including postage. Single issues are DM 40 each.

Orders and manuscripts should be addressed to the managing editor, Manfred J. Holler, Institute of Economics, Aarhus University, DK-8000, Aarhus C, Denmark.