A New Deal for the New Economy?
Global and Local Developments, and New Institutional Arrangements

The “new economy” involves not only novel information, but it is also characterized by increased spatial and functional fragmentations of the value-added chains. On the one hand, these may give rise to information failures and problems of strong uncertainty which require the development of new institutional and specifically non-market arrangements that can cope with different forms of coordination and cooperation problems. On the other hand these fragmentations may indeed be accompanied by the development of new forms of coordination like local clusters and different forms of network cooperation in order to operationalise iterative interactions and collective learning processes.

These observed phenomena and theoretical concepts are relevant for a wide array of fields in economics and more broadly the social sciences. One area where information and arising problems of coordination and cooperation play an important role is the study of innovation and technical change. Technical change is based on the accumulation of information or knowledge through learning, which may lead to non-market determined outcomes. Information failures or the uncertainty that is inherent to choosing a priori a successful innovation from a stream of new information, in a fragmented and turbulent environment, thus bring about technological lock-in and path dependencies. Moreover, the
rate at which new technologies diffuse may have implications for differential economic performances over space and time, the rate of employment, and the distribution of income.

The “new economy” is also associated with an increasing globalisation of production and societies, new forms of global politics and of a new global coordination. The spatial and functional fragmentation of the value-added chains may bear an important source for the creation of wealth. However, it may also worsen existing inequalities or bring about new ones and thereby increase the risk for conflicts, power-based interventionism and even war. Conflict – also armed conflict – may arise between old and new stakeholders, between members and non-members of a network or society.

These scenarios emphasize the importance of new local and global institutional arrangements that emerge or are designed to mediate the socio-economic transformations associated with the “new economy”. And indeed, a new “new economy” might emerge from new forms of coordination and organisation of firms and new more comprehensive institutional arrangements.

The conference aims at discussing questions like:

Does the „new economy“ display qualitatively new spontaneous coordination and organisational forms, such as networks and local clusters? Are there new levels of “true uncertainty” and turbulence involved, with a cumulative character of information, ubiquitous collective good dimensions of information and innovation, and coordination failure, latent mutual blockages of actions and technological lock-ins? Also, is there an increase in power-based and hierarchy-related corporate action, and of hub&spoke network forms, controlled by the most powerful agents? Do these global networks contribute to an ever more uneven global development? Do they support, or even require, powerful, violent and war-like forms of interventions? Does a more human-like „new economy“, on this background, need a “new deal” of institutional arrangements that support higher levels of certainty, reliability and trust, less turbulence, more collective action capacity, more stable expectations, less uncontrolled power concentration, and less violation in international relations?

The core part of the conference will be organized around some invited talks and sessions. The invited keynote speakers will be

Paul Davidson,

Editor, Journal of Post Keynesian Economics, and Visiting Scholar, New School University, NYC, who will speak on strong uncertainty and the possibility of creating coordinated action capacity, and Nobel Laureate and former World Bank Economist

Joe Stiglitz,
Columbia University, NYC, on the presence and future of international relations and the war economy.

Furthermore, a broad group of institutional and evolutionary associations, research networks, institutes, departments, and individuals have been invited to contribute to the core and open parts of the conference. Many have already agreed to attend, submit papers and even to care for organizing guest sessions and panels, either alone or jointly sponsored with EAEPE. This will go beyond the joint EAEPE-ECAAR sessions that EAEPE had at its previous conference (and will have again this year).

The EAEPE Research Area Coordinators (RACs) are requested to care for, organize and submit papers and whole sessions or panels related to the core theme or to their respective subject fields for the open conference. The RACs are responsible for inviting speakers, pre-select and quality-control the RA-related papers.

Generally, EAEPE strongly encourages the submission of papers and whole sessions and panels for the open part of the conference.

**Conference Details**

For all paper submissions, “core” or “open”, RA-related or not, and all sessions or panel proposals, abstracts (for papers) and short descriptions of the structures (for sessions/panels) need to be uploaded to

[www.eaepe.org](http://www.eaepe.org) (conferences - abstracts)

and in parallel have to be sent to the local conference organizer and chair of the EAEPE Scientific Committee (and programme organizer), Wolfram Elsner, at

[iso@uni-bremen.de](mailto:iso@uni-bremen.de) (EAEPE 2005).

Participants are asked to indicate to which RA the proposal belongs or is closest related to (for this, see the EAEPE scientific development plan at [www.eaepe.org](http://www.eaepe.org), or the eaepe newsletter, January 2005).

The deadline for all submissions (abstracts and session descriptions) has been extended in agreement with the Scientific Development Plan Officer (responsible for all RACs) to

**April 15, 2005.**

Please upload and send in 600-1000 words abstracts. You are supposed to register for the conference upon acceptance of your abstract for the programme.

A final version of accepted papers will be requested by
August 31, 2005.

The conference will be held around the medieval market place of the City of Bremen in the northern part of Germany. The venue will be in the State Parliament, the Chamber of Commerce, and the Town Hall.

For further information please visit the EAEPE website (given above) or (for the conference schedule and programme, travel information, the location and venue)

www.iiso.uni-bremen.de/elsner

or contact the local organizer and programme chair at

welsner@uni-bremen.de
or
rschmitt@uni-bremen.de.

Wolfram Elsner,
Rebecca Schmitt,
Local Organisers.