

European Association for
Evolutionary Political Economy
NEWSLETTER

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July 1994

1994 Kapp Prize to be Awarded in Copenhagen

**EAEPE 1994 Conference in Copenhagen, Denmark, 27-29 October 1994:
'Challenges to Institutional and Evolutionary Economic Theory:
Growth, Uncertainty and Change'**

The 1994 Kapp Prize will be awarded at the EAEPE Conference in Copenhagen to Giovanni Dosi, Luigi Marengo, Andrea Bassanini and Marco Valente for their essay 'Norms as Emergent Properties of Adaptive Learning'. This paper applies the simulation technique of genetic programming to the problem of optimisation in complex environments. Artificial agents are unable to optimise in such conditions and have to use simple decision rules – like mark up pricing – instead. This paper is thus an important milestone in the 60-year debate between, on the one hand, neoclassical theorists who assume that agents optimise, and, on the other hand, behaviouralists such as Herbert Simon and institutionalists such as Gardiner Means who assume rules of thumb such as mark up pricing. The EAEPE Steering Committee formulated the following statement when awarding the prize:

'A prominent argument in mainstream economics asserts the importance of profit maximisation and denies the significance of empirical investigation into the actual decision-making routines within the firm. The view of the Steering Committee was that the Dosi *et al* paper turned the tables on this argument and marks an important theoretical milestone. While there are dangers that the simulation approach will spawn an academic industry of minimal substance, the conclusion in the paper that economists are required to analyse the processes of formation of representations and behavioural rules is entirely positive for the development of institutional and evolutionary economics.'

The Myrdal Prize will not be awarded in 1994.

Further details of the 1994 EAEPE Conference appear on pages 2 and 8-9 of this newsletter.

Participants wishing to submit papers to the 1994 conference are invited to send a title with a 400-600 word abstract to Klaus Nielsen, Economics and Planning Institute, Roskilde University Centre, Box 360, DK-4000 Roskilde, Denmark. Telephone (45) 46 75 77 11. Fax (45) 46 75 66 18. Priority has been given to abstracts submitted before 1 March 1994. If the paper can be fitted into the conference schedule then a final version will be requested by 5 September 1994 and this also should be sent to Klaus Nielsen in Denmark. Final papers should be typed clearly, suitable for reprography, have adequate margins and cover no more than 20 sides of A4 or quarto. They may be single or double spaced, reduced on a photocopier or otherwise. The Scientific Committee reserve the right to exclude papers which are illegible or in excess of 20 sides.

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The EAEPE Newsletter can include reports of current and proposed research and short articles of interest to EAEPE members, as well as news and other items. Please send material to Michael Dietrich, EAEPE Newsletter Editor, Sheffield University Management School, 9 Mappin Street, Sheffield S1 4DT, UK. If possible, material should be submitted on a DOS formatted floppy disc either in ASCII or MS WORD or sent by EMAIL: M.Dietrich@sheffield.ac.uk. Contributions will not be refereed, but the Editor reserves the right to decide what is to be accepted.

EAEPE 1994 CONFERENCE 'Challenges to Institutional and Evolutionary Economic Theory: Growth, Uncertainty and Change'

*Copenhagen, Denmark
27-29 October 1994*

The conference will be located in the beautiful docklands area in central Copenhagen, the historic capital of Denmark.

Conference registration will commence on the afternoon of Thursday 27 October and the conference will finish in the evening of Saturday 29 October. The conference fee is £120 and this includes the cost of the conference dinner on the 29 October. There is no rebate for those who do not wish to partake of the conference dinner and no other meals are included in the price. Furthermore, there is an additional charge of £25 for those who are not yet 1994 members of EAEPE, plus an addition of £25 for bookings received on or after August 1st.

All conference bookings and fees should be sent to the EAEPE Treasurer, Andrew Tylecote, Sheffield University Management School, 9 Mappin Street, Sheffield S1 4DT, UK. Telephone (44) 0742 768 555. Fax (44) 0742 725 103. Payments may be made over the telephone by credit card.

The conference fee does not include accommodation. Hotel bookings are the responsibility of delegates themselves. However, the EAEPE Conference Organiser, Klaus Nielsen, will be pleased to supply information on hotel accommodation. He may be contacted at Economics and Planning Institute, Roskilde University Centre, Box 360, DK-4000 Roskilde, Denmark. Telephone (45) 46 75 77 11. Fax (45) 46 75 66 18.

The conference is organised with the assistance of Roskilde University Centre, the University of Sheffield and the University of Cambridge. Applications for further financial support are in progress.

The Foundation for European Economic Development (FEED) has agreed to sponsor the conference and will provide some funding. In cases of extreme hardship the conference fee of £120 may be waived. Subject to EC and other support there may be some additional financial assistance for delegates from Central and Eastern Europe. No assistance will be given and no conference fee will be waived unless the delegate is presenting a paper at the conference. In addition, the funds for such assistance are very limited and you are urged to apply early – before a decision is made on the acceptability of your conference paper. Applications for financial assistance should be sent by 1 March 1994 to the Secretary of FEED, Dr Andrew Tylecote, Sheffield University Management School, 9 Mappin Street, Sheffield S1 4DT, United Kingdom; telephone (44) 0742 768 555. Fax (44) 0742 725103.

EAEPE NAMES AND ADDRESSES

EAEPE Chairperson:

Robert Delorme, Université de Paris Nord, CEPREMAP, 142 rue du Chevaleret, 75013 Paris, France. Telephone (33) 1 40 77 84 43. Fax (33) 1 44 24 38 57.

Please note that the EAEPE administration is divided between the University of Cambridge (UK) and the University of Sheffield (UK). The Sheffield office is responsible for EAEPE finances, membership records and conference bookings.

EAEPE General Secretary:

Geoff Hodgson, The Judge Institute of Management Studies, University of Cambridge, Mill Lane, Cambridge CB2 1RX, UK. Telephone (44) 0223 338 171. Fax (44) 0223 338 076.

EAEPE Treasurer:

Andrew Tylecote, Sheffield University Management School, 9 Mappin Street, Sheffield S1 4DT, UK. Telephone (44) 0742 768 555. Fax (44) 0742 725 103.

EAEPE Conference Organiser:

Klaus Nielsen, Economics and Planning Institute, Roskilde University Centre, Box 360, DK-4000 Roskilde, Denmark. Telephone (45) 46 75 77 11. Fax (45) 46 75 66 18. EMail: knielsen@forv.ruc.dk

1994 Conference bookings should be sent to the Treasurer in Sheffield (UK) and final papers – by 5 September – to Klaus Nielsen in Denmark.

EAEPE Newsletter Editor:

Mike Dietrich, Sheffield University Management School, 9 Mappin Street, Sheffield S1 4DT, UK. Telephone (44) 0742 768 555. Fax (44) 0742 725 103.

Please note the recent change of address of the Sheffield University Management School. The part-time Administrative Assistant for EAEPE at Sheffield is **Jane Roe**, assisted by **Debra Maxwell**. At the University of Cambridge the EAEPE General Secretary is assisted by **Jo Grantham**.

EAEPE Steering Committee:

Ash Amin	(UK)
Wolfgang Blaas	(AUSTRIA)
Carlos Calleja Xifre	(SPAIN)
Robert Delorme	(FRANCE)
Mike Dietrich	(UK)
Kurt Dopfer	(SWITZERLAND)
John Groenewegen	(NETHERLANDS)
Jerzy Hausner	(POLAND)
Geoff Hodgson	(UK)
Pavel Mertlik	(CZECH REPUBLIC)
Klaus Nielsen	(DENMARK)
Angelo Reati	(BELGIUM)
Bertram Schefold	(GERMANY)
Ernesto Screpanti	(ITALY)
Andrew Tylecote	(UK)

EAEPE Scientific Committee:

The following persons were elected to the 1994 Scientific Committee at the 29 October 1993 Membership Meeting in Barcelona: Thomas Boje (Roskilde, Denmark), Jerzy Hausner (Krakow, Poland), Björn Johnson (Aalborg, Denmark), Pavel Mertlik (Prague, Czech Republic), Klaus Nielsen (Roskilde, Denmark – Convenor), Bertram Schefold (Frankfurt, Germany), Peter Skott (Aarhus, Denmark).

FEED NAMES AND ADDRESSES

The Foundation for European Economic Development (FEED) is a registered charity, registered under the Charities Act 1960 (England and Wales).

FEED Secretary:

Andrew Tylecote, Sheffield University Management School, 9 Mappin Street, Sheffield S1 4DT, UK. Work telephone (44) 0742 768 555. Fax (44) 0742 725 103.

FEED BOARD OF TRUSTEES:

Ash Amin, Wolfgang Blaas, Robert Delorme, Mike Dietrich, Geoff Hodgson (Treasurer), Klaus Nielsen, John Pheby, Angelo Reati, Andrew Tylecote (Secretary).

A MESSAGE FROM THE EAEPE CHAIRPERSON

I wish to express my gratitude to the membership of EAEPE for electing me as the association's first chairperson from December 1993.

Although EAEPE is young, it is a vigorous and healthy organisation. Its membership is still increasing. Its annual conference has reached high academic standards. And several research areas sponsored but EAEPE have taken off in a surprisingly rapid and fruitful way.

This is not to say that we are in Wonderland. The diversity within EAEPE is both its main asset and a potential source of problems. Addressing these problems requires care and thought. Other members of the EAEPE Secretariat are fulfilling here an obscure, yet quite deserving task and must be warmly thanked for it. One of my jobs involves me acting as an ombudsman for members and I have already been active in this role. Members of EAEPE are welcome to contact me – please do not hesitate to do so.

I look forward to seeing you at our 1994 conference in Copenhagen.

Robert Delorme

EAEPE 1995 CONFERENCE – KRAKOW, POLAND

The 1995 EAEPE conference will be held from 19-21 October in the beautiful medieval city of Krakow in Poland. Featured in the film *Schindler's List*, the city was the former capital of Poland and boasts a large number of well-preserved buildings including the cathedral, the castle and the famous market square. With opera, art galleries and other cultural activities – as well as an active night life – the city is today a lively modern centre and is one of the most attractive cities of Central Europe. The majestic Tatras Mountains are close by.

The overall theme of the conference will be: 'Transforming Economics and Societies; Towards an Institutional Theory of Economic Change'. However, papers relating to any EAEPE research area are welcome. This is intended to be an inter-disciplinary conference and will attract historians, economic historians, development economists, as well as economic theorists and other social scientists.

The Conference Local Organiser is Jerzy Hausner. Participants wishing to submit papers are invited to send a title with a 400-600 word abstract to Klaus Nielsen, 1995 EAEPE Conference Programme Organiser, Economics and Planning Institute, Roskilde University Centre, Box 360, DK-4000 Roskilde, Denmark. Make it clear that the abstract is for the 1995 conference. Priority will be given to abstracts submitted before 1 March 1995.

THE 1994 EAEPE MEMBERSHIP MEETING IN COPENHAGEN

An EAEPE Members' Meeting has been called at the Docklands Conference Site in Copenhagen, Denmark at 19.00hrs on Friday 28 October 1994.

EAEPE STEERING COMMITTEE MEETING

A Steering Committee meeting is planned at 17.00hrs on 27 October 1994 in Copenhagen, Denmark.

1995 KAPP AND MYRDAL PRIZE COMPETITIONS

Entries for the 1995 Kapp and Myrdal competitions are now welcome, with a closing date of 1 January 1995:

K. William Kapp Prize

Amount: £1000 (half funded by the William Kapp foundation).

Awarded annually for the best article unpublished at the time of the award on a theme broadly in accord with the EAEPE Theoretical Perspectives (minimum 5,000, maximum 12,000 words).

Gunnar Myrdal Prize

Amount: £1000 (all funded by EAEPE)

Awarded annually for the best published or unpublished monograph (i.e. a book) on a theme broadly in accord with the EAEPE Theoretical Perspectives.

The strict deadline for receipt of each prize is 1 January 1995. Entries should be sent to the EAEPE General Secretary, Geoff Hodgson, The Judge Institute of Management Studies, University of Cambridge, Mill Lane, Cambridge CB2 1RX, UK. Five non-returnable copies should be submitted for the Kapp Prize and four non-returnable entries for the Myrdal Prize. Awards of the 1995 prizes will be made at the 1995 Conference in Krakow, Poland.

All candidates must be paid-up 1995 members of EAEPE. The Steering Committee will judge both prizes in February-March 1995. The Kapp Foundation will assist in the judging of the Kapp Prize. Any member of the EAEPE Steering Committee or trustee of the Foundation for European Economic Development serving at any time from 1 January 1994 to 1 January 1995 inclusive shall be ineligible to submit an entry. The EAEPE Steering Committee reserves the right not to award a prize if the entries are below the required quality.

COMPANION TO INSTITUTIONAL AND EVOLUTIONARY ECONOMICS

The two-volume *Elgar Companion to Institutional and Evolutionary Economics* has been launched. It contains over a hundred essays by leading authorities in the field. Edited by Geoff Hodgson, Warren Samuels and Marc Tool, it is available from Edward Elgar Publishing, Gower House, Croft Road, Aldershot, Hampshire GU11 3HR, UK. Royalties will be divided equally between EAEPE and the USA-based Association for Evolutionary Economics. Please ensure that your university has a copy of the *Companion*. It is ideal for teaching as well as research purposes.

EAEPE PUBLICATIONS

In collaboration with Edward Elgar Publishing, EAEPE is proud to announce the publication a volume of selected conference papers from the 1991 conference entitled *Mixed Economies in Europe* and edited by Wolfgang Blas and John Foster. The normal cost is £45 but the volume is sold to paid-up EAEPE members at a 50% discount price of £22.50.

Publications relating to the 1992 and 1993 EAEPE conferences will appear shortly.

Copies of the 1990 conference volumes are still available, titled *Rethinking Economics: Markets, Technology and Economic Evolution*, edited by Geoff Hodgson and Ernesto Screpanti, and *Towards a New Europe? Structural Change in the European Economy*, edited by Ash Amin and Mike Dietrich.

The normal cost of each volume is £35 and £39.95 respectively, but they are sold to paid-up EAEPE members at a substantial discount, for £15 each. They are available from Edward Elgar Publishing, Gower House, Croft Road, Aldershot, Hampshire GU11 3HR, UK.

Royalties for these conference volumes will be paid to EAEPE.

EAEPE MEMBERSHIP REACHES ALL- TIME HIGH

Country	EAEPE Membership	Population in Millions	Membership/ Population (M)
AUSTRIA	20	7.9	2.5
BELGIUM	9	9.9	0.9
BOSNIA	1	4.1	0.2
BULGARIA	2	9.0	0.2
CROATIA	1	4.6	0.2
CZECH REPUBLIC	35	11.0	3.2
DENMARK	23	5.2	4.4
ESTONIA	3	1.6	1.9
FINLAND	12	5.0	2.4
FRANCE	37	56.6	0.7
GERMANY	30	79.8	0.4
GREECE	4	10.3	0.3
HUNGARY	13	10.3	1.3
IRELAND	3	3.5	0.9
ITALY	58	57.7	1.0
LATVIA	1	2.7	0.4
LITHUANIA	3	3.7	0.8
THE NETHERLANDS	37	15.0	2.5
NORWAY	10	4.2	2.4
POLAND	23	38.9	0.6
PORTUGAL	2	10.5	0.2
ROMANIA	3	23.2	0.1
RUSSIA (West of Urals)	9	147.0	0.1
SLOVAKIA	9	4.7	1.9
SPAIN	26	39.0	0.7
SWEDEN	32	8.6	3.7
SWITZERLAND	11	6.7	1.6
TURKEY	3	56.5	0.1
UKRAINE	5	51.5	0.1
UNITED KINGDOM	128	55.7	2.3
YUGOSLAVIA	4	9.3	0.4
TOTAL: EUROPE	557	746.4	0.7
AUSTRALIA	8		
BRAZIL	3		
CANADA	8		
EGYPT	1		
JAPAN	3		
KENYA	1		
NEW ZEALAND	1		
RUSSIA (East of Urals)	1		
SINGAPORE	1		
SOUTH AFRICA	1		
UNITED STATES	31		
TOTAL: NON-EUROPE	59		
OVERALL TOTAL	616		

EAEPE MEMBERSHIP GROWTH 1989-1994

	Membership	Annual Growth Rate
June 1989	165	-
June 1990	313	89.7%
June 1991	409	30.7%
June 1992	557	36.1%
June 1993	575	3.2%
June 1994	616	7.1%

EAEPE WORKSHOP ON 'PLURALISM IN ECONOMICS' IN BERGAMO

A highly successful EAEPE workshop on the theme of 'Pluralism in Economics' was held at the University of Bergamo, Italy on 26-28 May. The workshop was hosted and organised by Andrea Salanti, an EAEPE Research Area Coordinator in Research Area A. Participants included Bruce Caldwell, John Davis, Robert Delorme, Neil DeMarchi, Wade Hands, Sean Hargreaves Heap, Daniel Hausman, Geoff Hodgson, Heinz Kurz, Tony Lawson, Uskali Mäki, Philip Mirowski, Neri Salvadori and Roy Weintraub. Several contributors made a distinction between the advocacy of a plurality of theories and approaches with academic institutions, on the one hand, and the advocacy of a plurality of theories or methodologies by a single author, on the other. The conference papers will be published in a volume with the EAEPE imprint.

PAN-EUROPEAN SCIENTIFIC NETWORKS

With the support of the Copernicus Programme of the EC (DGXII) a European Network has been set up to develop research in institutional and evolutionary economics. The funding lasts until September 1996.

The centres and coordinators of this project are as follows:

Jerzy Hausner	Krakov Academy of Economics, Poland
Geoff Hodgson	University of Cambridge, UK
Pavel Mertlik	Charles University, Prague, Czech Republic
Andrew Tylecote	Sheffield University Management School, UK

The network will be widened to other institutions, particularly in Central and Eastern Europe. Members of academic institutions in the Czech Republic, Slovakia and Hungary are invited to contact Pavel Mertlik (Institute of Economic Science, Charles University, Smetanova nabrezi 6, 110 01 Prague 1, Czech Republic. Tel 42 2 24 81 08 04 x 64. Fax 42 2 24 81 09 87. Email mertlik@mbox.fsv.cuni.cz). Members of academic institutions in Poland are invited to contact Jerzy Hausner (Academy of Economics, ul Rakowicka 27, 31-510 Krakow, Poland. Tel 12 22 69 19. Fax 12 22 69 19. Email enhausne@plkrcy 11). Other academic institutions in Central and Eastern Europe will also be considered.

AN APPEAL FOR BOOKS FOR CENTRAL AND EASTERN EUROPE

One of the first tasks of the Pan-European Scientific Network is to distribute quality academic books in the universities of Central and Eastern Europe. Two collection points, in Krakow and in Prague have been set up. Second hand volumes should be sent to one of these two addresses:

- Pavel Mertlik, Institute of Economic Science, Charles University, Smetanova nabrezi 6, 110 01 Prague 1, Czech Republic. (Tel 42 2 24 81 08 04 x 64. Fax 42 2 24 81 09 87. Email mertlik@mbox.fsv.cuni.cz).
- Jerzy Hausner, Academy of Economics, ul Rakowicka 27, 31-510 Krakow, Poland. (Tel 12 22 69 19. Fax 12 22 69 19. Email enhausne@plkrcy 11).

Jerzy Hausner and Pavel Mertlik will distribute this material to participating universities in Central and Eastern Europe.

ACADEMIC BOOKS AND JOURNALS ON INSTITUTIONAL AND EVOLUTIONARY ECONOMICS FOR CENTRAL AND EASTERN EUROPE:

AN APPEAL FOR FUNDS

After suffering years of market and monetarist 'shock therapy' the time is now ripe for the development of institutionalist and evolutionary policies and ideas in Central and Eastern Europe. The European Association for Evolutionary Political Economy (EAEPE) has obtained a grant from the European Community to help build an educative network of institutional and evolutionary economists in this arena.

The plan for the network involves the purchase of academic books and journals in institutional and evolutionary economics for participating universities in Central and Eastern Europe. At present, the former Eastern Bloc countries have very limited funds available for such purchases. Academic salaries in some of these countries are as low as \$80 a month. This network initiative – and the pump-priming support of the European Community – makes it possible to place key writings in institutional and evolutionary economics in the libraries of Central and Eastern European universities, where the ideas are likely to have a substantial impact on both faculty and students and the educational benefits will be immense.

However, this project depends on private donations. There is a target to raise the equivalent of \$30,000 by the end of 1996. This money will be used to buy books and journals in institutional and evolutionary economics for participating universities in the former Eastern Bloc.

The network is run by Jerzy Hausner (Krakov Academy of Economics, Poland), Geoffrey Hodgson (University of Cambridge, UK), Pavel Mertlik (Charles University, Czech Republic), and Andrew Tylecote (University of Sheffield). They have asked the Foundation for European Economic Development – a registered charity in the UK – to host and organise this appeal.

Cheques, in any major currency, should be made out to the 'Foundation for European Economic Development' (FEED) and sent to:

G. M. Hodgson, Treasurer of FEED, The Judge Institute of Management Studies, University of Cambridge, Cambridge CB2 1RX, UK.

While every major currency is accepted, payments in Sterling will minimise bank charges and commissions. The FEED bank account is number 51743678, City Office Branch, Midland Bank PLC, Cambridge CB2 3HZ; Sort Code 40-16-08.

Please give generously. Donations may be eligible for tax relief. The institutional and evolutionary economists in Central and Eastern Europe will warmly welcome your help.

YOU CAN NOW PAY BY CREDIT CARD!

Transactions across national currency boundaries are inconvenient, uncertain and costly. For the convenience of EAEPE members, payments may now be made by Access/MasterCard/Visa/Eurocard. Simply telephone (44) 0742 768 555 or fax (44) 0742 725103 with your card number and expiry date. Alternatively, you can notify the EAEPE Treasurer's Sheffield office by post with the same information.

Books, a major part of which are authored or edited by EAEPE members, may be reviewed in this section of the Newsletter. Contact the Newsletter Editor for details.

Ulrich Witt (ed.),
Evolution in Markets and Institutions,
Heidelberg: Physica-Verlag, 1993.

Reviewed by Geoff Hodgson,
University of Cambridge, UK

This volume is an outcome of joint sessions that the European Study Group for Evolutionary Economics held together with the European Economics Association in 1991 in Cambridge, England. The papers were first published in the *Journal of Evolutionary Economics* in 1992.

There are six papers in the volume. The first essay, by the editor, discusses how hypotheses on innovative activities can be developed. The emphasis is on the epistemological problems accounting for novelty. The second essay, by Robert Boyer and André Orléan, is concerned with the manner in which conventions evolve. It is argued that because of self-reinforcing mechanisms generated by coordination effects, the economy can be locked-in to a Pareto-inferior convention. This is not an original conclusion, but the exposition is worthwhile, nevertheless.

In the third essay Frank Englmann examined the relationship between the diffusion of innovation and its effects on the macroeconomic level of employment. With his 'evolutionary' model he concludes that employment effects can be either positive or negative, depending on the labour market. Günther Hesse compares 'evolutionary' with the 'new institutional' economics concerning the historical development of land use systems and property rights. In the fifth essay G. Laffond and Jacques Lesourne consider an overlapping generations model and show that the dynamic processes of expectations and observed prices do not converge despite the existence of static 'sunspot' equilibria. Finally, Wolfgang Weidlich and Martin Braun present an approach to the modelling of non-linear economic dynamics.

This is an interesting collection of essays. All are well-written and cast some degree of illumination. The volume is recommended for all those interested in the kind of work gathered together under the 'evolutionary' level.

However, this reviewer has some major misgivings to do with the overall thrust of the type of work now being done under the rubric of 'evolutionary economics', as exemplified in the volume under review and in issues of the *Journal of Evolutionary Economics*. The problem is as follows:

First, the term 'evolutionary' is used in a variety of ways and it is not entirely clear what the term means, or adds, in this context. For example, the last two essays provide a straightforward diet of modelling in non-linear dynamics and would not be out of place in an orthodox journal. Some of the essays discuss selection mechanisms but this is not a general theme. Of all the authors Ulrich Witt alone seems concerned with the fundamental conceptual issues and tries to describe what is involved in 'evolutionary economics'. It is a shame that the other authors do not follow his example.

Second, with the exception of the essay by Witt and Hesse, most of the essays display a high degree of mathematical formalism, comparable to that in the top-ranking journals of economic theory. This turns attention to the problem – raised by Nobel Laureates Milton Friedman and Wassily Leontiev and others – of the extent to which economics is being damaged by an excessive degree of mathematical formalism. Mathematical rigour and elegance are now rated much more highly than empirical richness, explanatory power, conceptual robustness, policy usefulness or predictive capacity. Economics suffers as a result. The volume under review and the *JEE* in general regrettably do too little to alleviate the problem.

Third, and again with the exception of the essay by Witt and Hesse, the authors adopt a defective but alas typical approach to economic reasoning. A real world 'problem' is briefly described: technical change, employment, institutional change, expectations, or whatever. The theorist then goes on to define a 'model' using assumptions that are simply plucked from the air. Authors do not balk at assuming, for example, a world with simply two technologies, or a population of 'representative' individuals with simple and identical utility functions. The bulk of the essay is concerned with the technical properties of the model. It is then implied that something about the real world problem has been illuminated. This methodological approach now dominates the orthodox economic journals. It may help people get published and gain tenure but it is clearly limiting.

The problem is that there is little or no discussion of how you can move from a problem to a specific model, or what criteria can be used to evaluate if the chosen model is appropriate or not. Clearly, some simplifying assumptions have to be made but the methodological problem of how the choice is made and what abstractions are appropriate is evaded. Again mathematical formalism takes over. This is one of the most serious theoretical and methodological defects of orthodox economic and it is simply replicated here.

Both this volume and the *Journal of Evolutionary Economics* have made a valuable contribution. However, serious questions are raised about the use of the 'evolutionary economics' label when there is not widespread agreement on its meaning, and of the replication of the widespread obsession of orthodoxy with mathematical formalism. It would be helpful if the *JEE* carried more essays that addressed the conceptual and methodological issues and raised some serious questions about the manner in which many mathematical 'model builders' claim to say something useful about the real world.

M Morroni,

Production process and technical change,
Cambridge: Cambridge University Press, 1992.

Reviewed by Angelo Reati,
Commission of the European Communities,
Brussels.

The aim of this book is to study production processes in relation to the economic effects of technical change. To this end the author develops a unified scheme of the production process which incorporates the historical dimension of time as well as organizational factors. This approach, inspired by Georgescu-Roegen, allows the author to introduce into the analysis some of the salient characteristics of technical change such as irreversibility, cumulativeness, learning by doing, specificity, uncertainty as well as certain aspects of recent contributions on transaction costs and the nature of firms and markets. The book partly fills the traditional gap between industrial economics and management studies.

To represent the features of the production process, Morroni develops the analytical tool of the 'matrix of production elements' which decomposes the production process into its intermediate stages separable in time and space. Each element of this matrix is a function of time and shows the inflows and the fund services employed at each intermediate stage of the process, the output of one stage being the input of the subsequent stage. By this formalization technical change is not treated any more as a purely quantitative phenomenon but rather as a change which allows time saving. This matrix is directly applicable for empirical analysis.

Part I (chapters 1 to 4) is devoted to the presentation of the basic concepts and hypotheses; special emphasis is given to the evolutionary aspects of technical change in which time is not a purely logical entity but an irreversible and historical phenomenon (chapter 3). In part II (chapters 5 to 9), which is the most original part of the book, the author thoroughly works out his flow-fund model. After a discussion of 'production as a sequential process' (chapter 6) mainly based on

Georgescu-Roegen, Morroni presents his 'matrix of production elements' (chapter 7) which, for the purpose of empirical research is subsequently transformed into two separate tables: the 'quantitative and temporal matrix' and the 'organizational scheme' (chapter 8). Part II ends with an empirical chapter in which the model is applied to three case studies chosen from the Italian textile sector for 1987 and 1988. Part III (chapters 10 to 12) tests the theoretical power of the model by an analysis of two cases of technical change: the varying dimension of scale and the degree of production flexibility.

This is a clear and well presented book with a vast survey of the literature. The model is a useful tool not only for the description of production processes but also for business decisions on new techniques; in this way it increases the range of instruments already available such as operation research and activity analysis. Moreover, by introducing historical time systematically into the analysis of production processes it provides a substantial addition to the present body of knowledge on the effects of technical change. This work fully justifies the decision to award to its author the 1992 EAEPE Myrdal prize.

Ciaran Driver and David Moreton,
Uncertainty, Expectation and Investment,
Oxford: Basil Blackwell, 1992.

Reviewed by Andrew Tylecote,
University of Sheffield, UK.

This is a timely book. That investment was uncertain in its outcomes and highly variable in response to expectations, was a central insight in Keynes' General Theory, but ignored in most work since. As we again seek to understand the causes of persistent slow growth and mass unemployment, the relationship of investment, expectations and uncertainty demand systematic investigation, and here have received them. Driver and Moreton begin by showing that it is investment rather than consumption expenditure which is vulnerable to uncertainty. In chapter 2 they survey, and criticise, those theories, dominant since Keynes died and the theoretical counter-revolution got under way, which deny that investment has an active role in growth. They argue forcefully that investment is a vital engine of growth; that this is particularly so at times of rapid structural change; and that it is precisely at such times that it is most likely to be inhibited by uncertainty. Chapter 3 discusses whether there is an impending capital shortage in Europe, and particularly in the UK. The dominant view until recently has been that (at least in Europe) excessive real wages were leading to a high capital-output ratio in the investment which took place, and thus to a capital shortage in the sense of not enough work places to absorb the available labour. Driver and Moreton find evidence that this is out of date, since the productivity of capital has risen dramatically since the late 1970s. Now it appears that capital shortage is likely to arise through a combination of accelerated scrapping on one hand and slower capital accumulation on the other – the latter in response not to excessive real wages, of which there is no longer any evidence, with a striking recovery in profitability, but to uncertainty about demand. Chapter 4 sets out the theory of investment under (risk and) uncertainty, and chapter 5 explores the problems of conceptualising and measuring uncertainty as distinct from risk, and proposes dispersion of forecasts as a measure of uncertainty which can be used in empirical work. Chapter 6 constructs measures of dispersion of forecasts for output and inflation in the UK economy, 1976-89, and shows how up to three quarters of the variation of demand can be explained. Chapter 7 proceeds to estimate uncertainty effects on investment using data for fixed investment expenditure in UK manufacturing in the 1970s and 80s; chapter 8 disaggregates the work to industry level. Both indicate that uncertainty over output – but not inflation – has a significant and permanent depressing effect, particularly at the bottom of the cycle.

(continued on page 10)

EAEP1994

Process in the Czech Republic; S VALDANIDEV: Economic Incentives for Transformation in Russia in Terms of Property Rights and Possibilities to Make Profits".

13.15-14.30 Lunch

14.30-16.30

1. G HANAPPI & E EGGER: "Who Evolves the Evolved? Revisiting the problem of the driving entities in technological evolution"; C OUGHTON: "Uneven Growth and the Evolution of Structural Change"; V VENTURA DIAS: "Growth, Institutional Change and the Development Theory";
2. J GROENEWEGEN, F POT & H VLEESENBEEK: "Cultural Embeddedness of Business Systems"; G HODGSON: "Varieties of Capitalism from an Institutional Perspective"; E. F. M. WUBBEN: "Markets, Uncertainty and Decision-Making"; M HUTTER: "Five Years of Post-Socialist Transformation: Observation from an Evolutionary Theory's Perspective"; L JAKOBSEN: "Public Goods, Public Sector and the Transition to the Market Economy in Russia"; F STANKOVIC: "Evolutionary Transformation of East/Central European Economies";
4. J-O ANDERSSON: "Real Freedom, Democratic Community and Sustainable Development a Fundamental Values in Economic Analysis"; C M. CLARK: "The Theory of Social Value and the Value of Social Theory"; W A. JACKSON: "Cultural Materialism and Institutional Economics";
5. J-B CHATELAIN & B AMABLE: "The Institutional Differences between Financial Markets and Economic Growth"; G ETXEBARRIA & M GOMEZ: Institutional Agreements and long-term Infrastructure Finance Schemes"; T MARMELFELDT: "Stumpeterian Banker-Entrepreneur Interaction and the Spontaneous Evolution of Bank-Industry Networks: Why Institutional Endowments Matter"; M MESSORI & R TAMBORINI: "Money, Credit, and Finance in a Sequence Economy";

16.45-17.45 EAEP Membership Meeting

18.00-20.00

1. B AMABLE & M JULLIARD: "Innovation and Endogenous Growth: study of long-term relationship in the USA"; U CANTNER, H HANUSCH & G WESTERMANN: "Detecting Technological Performance and Variety. An empirical approach to technological Efficiency and dynamics"; C EDQUIST & M MCKELVEY: "The Diffusion of New Product Technologies and Productivity Growth";
2. W BLAAS: "From Micro-Macro Economics to the Economics of Evolutionary Contexts"; S IOANNIDES: "The Theory of the Firm: Strains in the Individualist Ontology of the New Institutional Economics"; J-P PIMIES: "On Ceteris Paribus Clauses in Economics";
3. D ARCHIBUGI & M CECCAGNOLI: "Innovation and Internationalization. The Case of Italian Manufacturing Firms"; M KITSON & J MITCHE: "Conflict, Cooperation and Change: The Political Economy of Trade and Trading Blocks"; G THOMPSON & J ALLEN: "Multinational Corporations and the "Globalization Thesis: An Empirical Investigation";
4. N LAZARIC: "Organizational Learning in Cooperation and Institutional Change"; P LLERENA & L MARENGO: "Adaptive Learning and Structure in Inter-Firm agreements: Some Results From a Simulation Model"; B NOOTBOOM: "A Process Model of Strategic Interaction";
5. R PIRKER & H RAUSCHENSCHWANDTNER: "Institution" in the German "Nationalökonomie": The Example of the "Historical School"; R W. SCAPENS: "An Evolutionary Institutional Model of Accounting Practices"; M TOOL: "Social Cost and Social Value";

3. J HARKDY: "Foreign Direct Investment and Restructuring of the Polish Economy"; C MESIASZ: "Western Financial Assistance for Economic Reforms in the East: A Preliminary Assessment"; H VAN ZON: "Modes of Internationalization and Modes of Innovation – the Case of Central and Eastern Europe";

4. J CORNWALL: "A "Keynesian" Theory of Institutional Change"; H.H. DE HAAN: "Different Perspectives in Economic Theory or Closure Rules"; R J. ROTHHEIM: "On the New Keynesian Theory of Unemployment: a critical appraisal";

5. P AUERBACH & M MACKINTOSH: "Human Assets and the Calculation of National Income"; T P. BOJE: "Private or Public Service Employment – does it make a difference?"; F GREEN & D. ASHTON: "Theorising the Link between the economy and the Education and Training Systems of the Advanced Industrialised Countries"; P KONGSHU MADSEN: "Phillips Revisited – A Comparative Study of Wage Flexibility, Labour Market Institutions and International Integration";

13.15-14.30 Lunch

14.30-16.30

1. G FUCHS: "Dynamics of Institutional Change in Telecommunications"; C JENSEN-BUTLER & E ANSELMO DE CASTRO: "Flexibility, Routine Behaviour and the Neo-Classical Model in the Analysis of Growth"; J NIOSI & A MANSEAU: "The Canadian National System of Innovation";
2. S S. ATHREYE & R EVANGELISTA: "Aggregation, Central Tendencies and Diversity in Firm Behaviours: Methodological considerations for empirical research"; C.F. DRIVER: "Concentration, Excess Capacity and Growth"; C-F HELGESSON & S HULTEN: "The Economic Rationale of Reregulation – an evolutionary and institutional explanation";
3. J D. DAVIS: "Creating Markets "from Scratch": The Economic Function of The Russian Commodity Exchanges"; J HAUSNER & A WOLFFYNA: "Institutional Preconditions of Collective Wage Bargaining in the Socialist and Post-Socialist Economy"; W SWAAN: "Behavioural Constraints and the Creation of Markets in Post-Socialist Economies";
4. L MJMSET: "The Nordic Economic Policy Models facing the dual Challenges of Internationalization and Europeanization 1985-93"; D PHAN: "Labour Institutions, Technological/Organizational Change, Evolution and Growth: a model for the transition toward fordism in France between the World Wars (1920-1938)"; D SMITTH: "Twenty-Five Years of Flexibility and Uncertainty – Transformations in Theory and Practice 1969-1994";
5. S CESARATTI: "Growth, Technical Change and Thrift in Marginalist Theory: A critical analysis"; F LORDON: "Periodic and Aperiodic Fluctuations in a Goodwinian/Kaldorian Model of Endogenous Growth"; A REATTI: "Technological Revolutions in Pasinetti's Model of Structural Change: Output and Employment";

16.45-18.45

- Plenary session on "Growth, Development and Institutions".
Guest speakers: J KREGEL (to be confirmed), A.H. AMSDEN:
"More Late Industrializers – Does Old Theory Hold?";

20.30

- Conference Dinner

For more information contact: J Roe, EAEP Administrative Assistant,
Sheffield University Management School, 9 Mappin Street, Sheffield S1 4DT.
Tel: (44) 0742 768555. Fax: (44) 0742 725103.

Please copy and display this Conference Programme

P R O V I S I O N A L P R O G R A M M E

Challenges to Institutional and Evolutionary Theory: Growth, Uncertainty and Change

Figtveds Pakhus, Copenhagen, 27-29 October 1994

THURSDAY 27 OCTOBER

15.00-19.00 Registration

FRIDAY 28 OCTOBER

08.00 Registration

09.00-09.15 Opening Address by EAEPE Chairperson R DELORME: "A Still unexploited Consequence of Uncertainty in Economics: Reflexive Complexity"

09.15-11.00

Plenary Session on "Innovation, Uncertainty and Learning". Guest speakers: B LUNDEVALL: "The Learning Economy: Challenges to Economic Theory and Policy" & G DOSI (to be confirmed)

11.15-13.15

1. M AMENDOLA & J-L GAFFARD: "Change in Structure: Analysis and Policy Implications"; A HEBERTJE: "Technical Change and Welfare Economics"; M HUMBERT: "The Globalization of Technology as a Challenge for National Innovation Systems".
2. P D. BUSH: "Reflections on Some Methodological and Substantive Issues in the Pursuit of Institutional/Evolutionary Economic Analysis"; P PHILIP: "Realism – Some Philosophical Considerations of Evolutionary Economics"; A SALANTTI: "Pure Economic Theory a Institution-Free Theoretical Foundation of Economics: Is it Necessarily Misleading".
3. R DIETZ: "Exchange, Money and Economic Rationality. Toward a System-Theoretical Approach"; J FOSTER: "A Self-Organisational Perspective on Economic Processes: A Unifying Paradigm"; M RENAUDIT: "Economy as a Process of Communication. A Socio-Economic Approach of the Emergence of Correlated Patterns of Behaviour".
4. V CHICK & M CASERTA: "Provisional Equilibrium and Macroeconomic Theory"; I MAHON: "A Socio-Economic Model of Change in Time Based Institutions – With an Application to JIT"; I PEAUCELLE: "Equilibrium, Dynamics and Regime Switching".
5. A CHILIOSI: "Economic Consequences of Institutional Transformation in Eastern Europe and Social Policy Options"; H LINDPERE: "Structural Change of Competitiveness in Estonia"; G POLONY & V EDWARDS: "The Change and Growth of Small Business in the Transition from Centrally Planned Economies to Market"; J SKALOU: "Economic and Political Results of the Transformation

SATURDAY 29 OCTOBER

9.00-11.00

1. L E. ARJONA BEJAR: "The Evolutionary Approach to Technological Change: A framework for microeconomic analysis"; W KWASNICKI & H KWASNICKI: "Market Structure and Innovation Regimes"; P.P. SAVIOTTI & G.S. MANI: "Search Activities and Technological Evolution: Some Results based on a Replicator Dynamics Model".
2. C DEFEULLY: "Comparative Analysis Between the Transaction Costs Theory and the "Evolutionary" Theory of the Firm"; C PITTELIS: "On the Existence, Objectives and Evolution of the Capitalist Firm"; M TURVANI: "The Core of the Firm: The Issue of the Employer-Employee Relationship".
3. A AMIN & N THRIFFT: "Institutional Issues for the European Regions: From Markets and Plans to Powers of Association"; P P PADOANI: "A New Wave of Widening and Deepening in Europe. The political economy of multiple clubs in an evolutionary perspective"; G WHITTAM: "Regional Economic Growth. An Evolutionary Approach".
4. E BERROCAL & C BUCCELLATO: "Integrating Environment Models with Social Accounting Matrix Approach"; M COGOY: "Environmental Aspects of the Social Construction of Commodities"; J JESPERSEN: "Environment as a Macroeconomic Issue – A Postkeynesian Analysis".
5. J B ANDERSEN, S JAKOBSEN & M F. KLUTH: "Ceating Institutional Infrastructures for Structural Change: The Case of the Danish "Competitive Resource Base" Analysis"; F ARCHIBUGI: "Economic Regulation and Social Concentration in Italy: A Critical View From 1945 to Today and Beyond"; G CARAVALE: "Again on Economic Theory and Institutions"; B GREVE: "How Will Demand be changed by Introduction of Vouchers – and how will it theoretically affect the composition of demand on different goods"; J TORFING: "Politics, Regulation, and the Danish Welfare State".

11.15-13.15

1. P BEJJE: "Technological Learning and Organizational Flexibility"; P PETTT, D RIVAUCUD & R SALAIS: "Finance and Path-Dependency in Innovation"; A TYLLECOTE: "Financial Systems and Innovation".
2. T.A. BAYLAN & P.F. O GORMAN: "Post-Positivist Methodologies for Economics: The Causal Holist Alternative"; U MAKI: "The Nature of Economic Science: The Case of Coase"; T TAMANI: "Between Touching and Clothing the Truth – Realism and/or Rhetoric in the Preference Reversal Research".

EAEPE REVIEWS

(continued from page 7)

This book is of substantial importance for evolutionary political economy. In its own arguments and in its resumes of the literature it extends from micro to macro, with a rigorous linkage of the two. It succeeds in bringing thorough empirical work to bear on matters of key importance in economic theory and policy. Neoclassical and new classical macro-theorists who ignore the role of uncertainty – as they all must – will be, or should be, considerably bruised by this book. Policy-makers who proudly forswear any commitment to reflating out of recession, putting price stability first, can be clearly seen, in the light of its arguments, to be sacrificing not only short term employment, but long term growth. (In consequence they may not even achieve a long term reduction in inflation.) As things now are, we are clearly losing a great deal of both employment and growth.

GC Harcourt,
*On Political Economists and Modern Political
Economy* (edited by Claudio Sardonì),
London: Routledge, 1992.

GC Harcourt,
Post-Keynesian Essays in Biography, London:
Macmillan, 1993.

Reviewed by Malcolm Sawyer,
University of Leeds, UK.

There are some books which one is pleased to be asked to review as one welcomes the opportunity to acquire the book and one knows that the book will be a pleasure to read from which one will learn. These two books very much fall into that category. Whilst both reprint essays all of which had been previously published and most of which I had read before, it was still a pleasure to re-read the essays to be able to continue to learn from them.

The contents of the first mentioned book are reflected in its title, with the last of its six parts being devoted to intellectual biographies. These biographies are mainly also reprinted in the second mentioned book and will be further discussed below whilst another part contains one essay on economic policy. The subject matter of each of the other four parts into which the essays are divided corresponds to a major area of economic analysis to which Geoff Harcourt has made significant contributions. In the space available it is clearly not possible to discuss the contributions of each essay, and I highlight those which I found of particular interest and significance. The first part of the first book, labelled *Issues in Post-Keynesian Economics*, contains five essays ranging over problems of measuring the rate of profit, investment decisions and their link with pricing, and income distribution. The first of these papers shows that the accountant's rate of profit is significantly influenced by 'irrelevant factors' even in the absence of uncertainty with expectations fulfilled, and the comparison of the rates of profits of different industries cannot be readily used to draw inferences on the relative profitability of different industries. In another paper (written with Peter Kenyon), a view of the determination of the mark-up of price over cost by the investment expenditure plans of the corporation is advanced, and this view has, subsequent to the publication of the paper in 1976 and the work of Al Eichner, become associated with a post Keynesian view of the links between prices and investment. The next two papers develop two sector post Keynesian models of employment and distribution. The first model is then used to provide a critique of Kaldor's well-known model of income distribution. The second is used to show that the Keynesian short-period analysis can 'easily be adapted to include decisions concerning price-making and choice of technique, with the result that the distribution of income as well as the level of

employment can be determined' (p97). This paper, first published in 1965, has not received the attention it deserves, and it clearly shows that post Keynesian macroeconomic analysis has microeconomic foundations.

Although the second part is titled *The Capital Theory Controversies* the contents are rather broader. In an essay, first published in 1975, reviewing books by Maurice Dobb, Frank Hahn, John Hicks and Harry Johnson, Harcourt provides an interesting discussion of value and distribution as envisaged by different schools of thought. Other essays in this part review the Cambridge capital controversies and non-neo-classical capital theory.

Whilst both the essays in Part 3 survey approaches to economic theory, they are rather different. One essay reflects on the development of economics as a discipline and draws on the lectures given in honour of the recipient of the Nobel prize for economics and on personal communications from other economists. The second essay is the well-known essay by Geoff Harcourt and Omar Hamouda surveying post Keynesian economics. This takes a typically broad and sympathetic view of post Keynesian economics, whilst clearly setting out its different streams and pointing to its unsettled questions. Three essays in Part 4, on theoretical methods, are concerned with issues arising from the work of Keynes, Marshall and Sraffa, including one essay on all three around the theme of the concepts of centres of gravitation in their work.

The cumulative effect of the 18 essays in biography is to tell us much about the biographer. Geoff's respect for the history of his subject and his affection for many of his fellow economists (as people if not their ideas) comes through clearly in these essays. His willingness to see the best in others is also evident and features of the subject of the biography which some would criticise are often seen by Geoff as endearing idiosyncracies. His high regard for the principled intellectual 'loner' who pursues his or her conception of truth regardless of the difficulties into which they are brought by doing so is also evident in these essays. In his introduction, Geoff notes that he has always been interested in and 'probably overcurious about other people and what makes them tick' (p ix). Whilst some of the essays focus on the intellectual contribution of the subject, most of them have something to say on the influences on and background of the subjects. The term Post Keynesian is used broadly to encompass, for example, George Shackle, John Hicks, Nicholas Kaldor and Maurice Dobb. The essays vary considerably in length from the substantial to the brief (in the limiting case a piece on James Meade of less than 10 pages). The subjects are all people whom Geoff Harcourt has met and many have been his friends. These essays in biography serve a number of purposes. They provide a memorial to economists influenced by Keynes and generally associated with Cambridge. But they also allow us to see what made some economists 'tick'.

Association for Evolutionary Economics

EAEPE has close ties with the US-based Association for Evolutionary Economics (AFEE), sponsors of the longstanding *Journal of Economic Issues*. Individual membership of AFEE, including a subscription to the journal costs \$35.00 annually, \$30.00 with income under \$40,000, and students \$15.00. Members outside North America add \$5.00. Remittances to:

Dr Ann Mari May, AFEE Secretary-Treasurer,
Department of Economics, University of Nebraska,
Lincoln, Nebraska 68588-0479, USA.

PROJECT ANNOUNCEMENT

Industrial Economic Strategies for Europe: preparing for the turn of the century

This wide-ranging project involves various initiatives, including: competition strategy, regional perspectives, economic cohesion, comparisons and lessons involving initiatives in Japan and the United States, decentralisation and cooperation as instruments of industrial strategy. It will involve a series of evolving Workshops hosted by different institutions throughout Europe over the next two to three years and the publication of a series of volumes, hence the development of a new and evolving research network. Various aspects of the project are receiving financial support from different sources, including the European Commission.

Regional coordinators currently include: Patrizio Bianchi (university of Bologna), Ivo Bicanic (University of Zagreb), João Confraria (Portuguese Catholic University, Lisbon), Keith Cowling (University of Warwick), Jaques De Bandt (CNRS – University of Nice Antipolis), Yannis Katsoulacos (Athens University of Economics and Business Science), Hans Schenk (Erasmus University, Rotterdam), David Soskice (Wissenschaftszentrum, Berlin), Johan Willner (Åbo Akademi).

Interested parties should contact: Roger Sugden, Research Centre for Industrial Strategy, Department of Commerce, The Birmingham Business School, The University of Birmingham, Edgbaston, Birmingham, B15 2TT, UK. Tel: +44 (0)21 414 6695. Fax: +44 (0)21 414 6707.

European Association for Bioeconomic Studies

The aims and objectives of EABS are:

1. To promote the study and application of bioeconomics, with particular reference to the work of Nicholas Georgescu-Roegen.
2. To safeguard the environment, and to be concerned with the accelerated "entropization" of the limited resources of our planet.
3. To promote the exchange and diffusion of information on bioeconomics and related topics.

For details of any matters to do with EABS contact:
Korinna Muller, Secretary General EABS, 11 Via Larga,
I-20122 Milan, Italy.

EASTERN ECONOMIC ASSOCIATION CONFERENCE

17-19 March 1995
New York City, USA

The theme of this conference is "Dialogue in Economics". Proposals around this theme should be sent to: John Adams, EEA Program Chair, Department of Economics, Northeastern University, Boston, Massachusetts 02115. Tel: 617-373-2872. Fax: 617-373-3640. Internet: jadams@lynx.neu.edu. Deadline: 15 October 1994.

REVIEW OF INTERNATIONAL POLITICAL ECONOMY

The International Review of International Political Economy is a new inter-disciplinary journal for 1994 based on an analytical synthesis between politics and economics. The particular RIPE will:

- address the internationalisation of the state, especially the structures of political authority, diplomacy and institutional regulation;
- examine the shift from a national to a transnational economic system, including the study of global finance and production;
- promote the study of development trajectories, local and national, in all parts of the world.

EAEPE members are entitled to a subscription discount. Normal individual rates for the UK/EC are £35/\$60, the reduced rate is £22/\$35. On editorial matters contact: The Editors (Ash Amin, Barry Gills, Ronen Palan, Peter Taylor), Review of International Political Economy, Department of Politics, The University, Newcastle upon Tyne, NE1 7RU, UK. Fax: + 44 (0)91 2228107. For subscriptions: Trevina White, Routledge Subscriptions, ITPS Ltd, Cheriton House, North Way, Andover SP10 5BE, UK, tel + 44 (0)264 332424, fax + 44 (0)264 364418.

JOINT INTERNATIONAL WORKSHOP

Economics of Change: the USA and Europe after two years of Clintonomics. January 1995, Vienna, Austria.

This workshop will include topics on: environmental policies, social policies, and economic unions. For information: Karl S Althaler, INTERRA, Netzwerk fur Forschung und Kultur, Mariahilferstr 105/2/13, A-1060 Wien, Austria. Tel: 0043-1-5971920. Fax: 0043-1-5973743.

Post-Keynesian Economics Study Group

Anyone interested in finding out details of the current programme for the Post-Keynesian Economics Study Group should write to either Professor Philip Arestis, Department of Applied Economics, The University of East London, Longbridge Road, Dagenham, Essex RM8 2AS, tel + 44 (0)81 8493507; or Professor Victoria Chick, Department of Economics, University College London, Gower Street, London WC1E 6BT, tel + 44 (0)71 3807868. Email: uctpa98@uk.ac.ucl

INTERNATIONAL THORSTEIN VEBLEN ASSOCIATION

The purposes of this association are:

1. To facilitate and revive in a Veblenian spirit a critical and historical attitude in the social sciences.
2. To examine and evaluate Veblen's ideas and methods from the point of view of their applicability and utility for comprehending and analyzing the contemporary world.
3. To make explicit the attitudes, perspectives and assumptions underlying Veblen's social, economic, political and religious frameworks.
4. To illuminate the relationship between Veblen's ideas and his linguistic, rhetorical and poetic style.
5. To foster and facilitate communication between Veblen Scholars throughout the world.

For application and other enquiries write to: Rick Tilman, Department of Public Administration, University of Nevada, Las Vegas, Nevada 89154, USA.

The Association for Institutional Thought

AFIT is a US-based Association with close ties to the Association for Evolutionary Economics. It encourages and fosters the development of institutional thought within the tradition of Thorstein Veblen, John Dewey, Clarence Ayres, John Commons, Wesley Mitchell and others. For further information about AFIT contact

Professor James Swaney, Department of Economics, Wright State University, Dayton, Ohio 45435, USA.

ASSOCIATION FOR POST KEYNESIAN ECONOMICS

The annual conference of this association will convene in Antwerp, Belgium, 25 November 1994. The theme of the meeting is "Labour Migration. For information: John Groenewegen, Erasmus University, PO Box 1736, 3000 DR Rotterdam, The Netherlands. Tel: 3110 406 1383. Fax: 3110 452 5790. E-mail: groenewegen@eov.few.eur.nl

KARL POLANYI INSTITUTE OF POLITICAL ECONOMY

5th International Conference

The 5th International Karl polanyi conference, "Rereading the Great Transformation: freedom in a complex society", will be held in Vienna, Austria, 11-13 November 1994. For information: KPIPE c/o Concordia University, 1455 de Maisonneuve Blvd W, Montreal, Quebec H3G 1M8. Tel: 848-2580. Fax: 848-2577.

INTERNATIONAL ASSOCIATION FOR FEMINIST ECONOMICS

IAFFE is a non-profit association with the goal of advancing feminist inquiry of economic issues and to this end is sponsoring a new journal. The association plans to hold its 1996 summer conference in Tours, France in early July. For information about IAFFE contact: Jean Shackelford, Department of Economics, Bucknell University, Lewisburg, PA 17837, USA. Tel: 717-524-3441. Fax: 717-524-3760. Email: jshackel@bucknell.edu

MARSHALL STUDIES BULLETIN

This newsletter on Marshallian studies, published annually by the Dipartimento di Scienze Economiche of the University of Florence, Italy, takes the form of short commentaries, factual information and book reviews. We should be pleased to consider contributions for publication. The Bulletin is sent free of charge to interested parties.

Addresses. Articles, reviews and books: Dipartimento di Scienze Economiche, Via Curatone 1, 50123 Firenze, Italy. All other correspondence: Ms Philomena Guillebaud, Marshall Library of Economics, Sidgwick Avenue, Cambridge CB3 9DB, England.

REVIEW OF POLITICAL ECONOMY

The Review of Political Economy welcomes critical and constructive contributions within the broad traditions of political economy (institutionalism, post-Keynesianism and other non-orthodox approaches) that place significant emphasis upon realism of analysis. The journal is particularly keen to encourage submissions of interest to a wider international audience.

EAEPE members are entitled to a subscription discount. Normal individual rates for the UK/EC are £34, the privileged rate is £28. For the rest of the world the rates are £36 reduced to £30. On editorial matters contact: Professor John Pheby, Managing Editor, Review of Political Economy, Department of Economics, DeMontford University, PO Box 143, Leicester LE1 9BH, UK. For subscriptions: The Promotion Department, Edward Arnold Journals, Hodder & Stoughton Publishers, Dunton Green, Sevenoaks, Kent TN13 27A, UK.

German Association for Political Economy

The next two meetings of this association are:

28-30 October 1994, Berburg: "Modern Macroeconomics – a critical assessment". Details from: Professor Jörg Flemming, Hobeinweg 19, D-93051 Regensburg, Germany. Tel: 0941 991131.

7-9 April 1995, Mainz: "The Role of Ethics in Development: theory and policy". Details from: Professor Utz Peter Reich, Fachhochschule Mainz II, An der Bruchspitze 50, D-55122, Mainz, Germany.

VII WORLD CONGRESS OF SOCIAL ECONOMICS

The Association for Social Economics, the International Institute for Social Economics, and the Institute of Economics Sciences (Verona) announce the VII World Congress of Social Economics, "The New World Order: social economics in transition", Verona, Italy, 3-7 August 1994.

Details from: G Gaburro, Istituto di Scienze Economiche, Universita di Verona, Via dell'Artigliere 19, I-37129, Verona. Fax: 39 45 80982.

SECOND INTERNATIONAL ECONOMICS MEETING

June 21-23 1995, Cordoba, Argentina

This meeting aims to discuss the realism of economic analysis, and perspectives on Latin American economic development within a context of a living compromise with people. The main topics are: the reconstruction of economic analysis; Latin America in the era of the great blocks; investment opportunities in Iberian America; the interdisciplinary approach of economics; economics and society. For information contact: Professor Luis Eugenio Di Marco, Director CIEC, Gerao Perez 543, Barrio Rogelio Martinez, 5000 Cordoba, Argentina. Fax: 011 54 51 69 0466/2636

POLITICAL ECONOMY RESEARCH CENTRE

University of Sheffield, UK

This interdisciplinary research centre has been established at the University of Sheffield UK. Its principle research areas include international competitiveness and social cohesion, regional blocs and the world economy, local and regional development in traditional industrial areas, citizenship in the European Union, and the political economy of the environment.

Occasional papers are now available as follows:

JK Galbraith 'The Economics Question and the Larger Social Scene'; Mary Douglas 'Risk Perception'; Geoff Mulgan 'After the End of Politics'; David Goodhart 'The German Model: adapting to survive'; Colin Crouch 'Voice Citizenship and Human Capital'.

For information: Ms Sylvia McColm; Political Economy Research Centre; University of Sheffield; Elmfield Lodge, Northumberland Road, Sheffield S10 2TY, UK.

Tel (0)742 826 298. Fax: (0)742 755 921.

Email: s.mccolm@sheffield.ac.uk

INTERNATIONAL JOSEPH A SCHUMPETER SOCIETY

**Fifth Annual Conference,
Munster, Germany
17-20 August 1994.**

The theme of this meeting is "Economic Dynamics: analysis and policy". For information: Horst Hanusch, Lehrstuhl für Volkswirtschaftslehre V, Universität Augsburg, Memminger Straase 14, D-86135, Augsburg, Germany.

RECENT PUBLICATIONS BY EAEPE MEMBERS

The following publications are authored, in whole or in part, by members of EAEPE. This regular feature of the Newsletter is intended to disseminate information throughout the Association. Send details of recent publications to the Newsletter Editor. EAEPE members are shown in bold type.

James Angesano, University of Texas, Austin, USA.

- 'A Myrdalian View of Evolving Socio-Economic Conditions in Central and East Europe', *Development Policy Review*, June, 1994.
- 'Institutional Change in Bulgaria: a Socio-Economic Approach', *Journal of Socio-Economics*, Spring, 1994.
- 'An Alternative Scenario for Central and East European Transformation', *Journal of Economic Studies*, 21(2), 1994.

Stephen Boehm, University of Graz, Austria

with Bruce J Caldwell (eds), *Austrian Economics: Tensions and Directions*, Boston: Kluwer Academic Publishers, 1993.

Michael Dietrich, University of Sheffield, UK

- 'The economics of quasi-integration', *Review of Political Economy*, 6(1), 1994.
- Transaction Cost Economics and Beyond: towards a new economics of the firm*, London and New York: Routledge, 1994.

Geoff Hodgson, University of Cambridge, UK

with **Warren Samuels and Marc Tool** (eds) *The Elgar Companion to Institutional and Evolutionary Economics*, Edward Elgar, Aldershot, 1994.

- 'Some Remarks on "Economic Imperialism" and International Political Economy', *Review of International Political Economy*, Spring 1994.
- 'Precursors of Modern Evolutionary Economics: Marx, Marshall, Veblen, and Schumpeter', in R. England (ed.), *Evolutionary Concepts in Contemporary Economics*, University of Michigan Press, 1994.

William Jackson, University of York, UK

- 'Culture, Society and Economic Theory', *Review of Political Economy*, 5(4), 1993.
- 'The Economics of Aging and the Political Economy of Old Age', *International Review of Applied Economics*, 8(1), 1994.

Christian Karsch, Austrian Insurance Officers Association, Vienna

'Die Nachfrage nach Gesundheit', *Wirtschaftspolitische Blätter*, 6, 1993.

Jonathan Michie, University of Cambridge, UK

- (ed), *The Economic Legacy: 1979-1992*, London: Academic Press, 1992.
- with John Grieve Smith (eds), *Unemployment in Europe*, London: Academic Press, 1994.

Luigi Pasinetti, Università Cattolica del Sacro Cuore, Milan

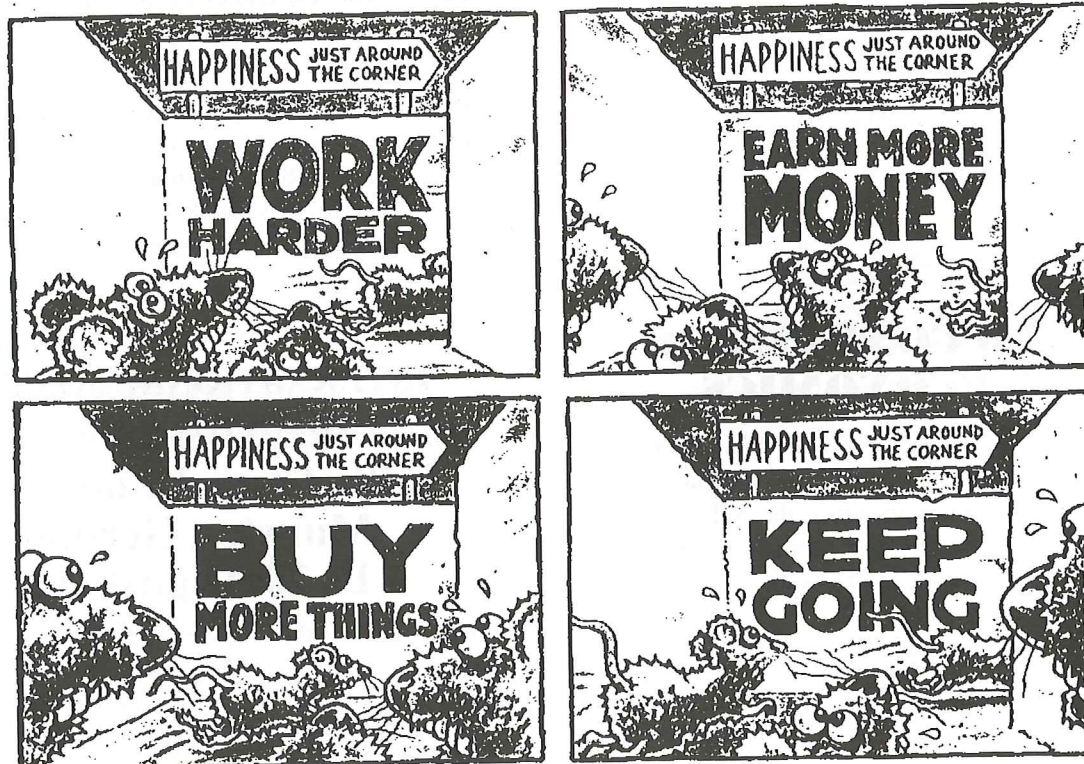
- 'Extraits de "dynamique économique structurelle"' in 'Actualité et spécificité de la pensée classique', *Cahiers d'Economie Politique*, 22, 1993, Paris: Editions l'Harmattan.
- 'Technical Progress and Structural Change', *Economic Papers*, 12(3), 1993 (Economic Society of Australia).
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Norbert Reuter, University of Aachen, Germany

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THE EAEPE STRUCTURE AT A GLANCE

5-PERSON SECRETARIAT:

CHAIRPERSON

CURRENT NAME AND LOCATION:

Robert Delorme, Paris, France

Chairs meetings (with casting vote only), maintains liaison between members of Secretariat, acts as ombudsman for members

GENERAL SECRETARY

CURRENT NAME AND LOCATION:

*Geoff Hodgson,
Cambridge, UK*

TASKS:

Strategic planning, arrangements for Secretariat, Steering Committee, and Membership Meetings, EAEPE Prizes, Scientific Development Plan

TREASURER

CURRENT NAME AND LOCATION:

*Andrew Tylecote,
Sheffield, UK*

TASKS:

Membership applications and records, conference bookings, keeping of audited accounts

NEWSLETTER EDITOR

CURRENT NAME AND LOCATION:

*Mike Dietrich,
Sheffield, UK*

TASKS:

Edits, produces and circulates newsletter

CONFERENCE ORGANISER

CURRENT NAME AND LOCATION:

*Klaus Nielsen,
Roskilde, Denmark*

TASKS:

Organises conference programme and conference arrangements at venue

STEERING COMMITTEE – 10 ORDINARY MEMBERS

As under existing Clause 9.3 of the EAEPE Constitution, receives reports from Secretariat and monitors or directs its activities as required.

EAEPE MEMBERSHIP MEETING

Acts as sovereign body as under existing Section 6 of EAEPE Constitution.

EAEPE SCIENTIFIC DEVELOPMENT PLAN

The Scientific Development Plan suggests priority areas of scientific development for EAEPE, and proposals emanating therefrom. It is based on the premise that EAEPE should prioritise intensive rather than extensive growth; it must invest in theoretical and policy development and try to develop a theoretical cutting edge. This means the establishment of areas of priority for scientific work.

Research Areas

The designated priority Research Areas for EAEPE are as follows:

Research Area A: The Development of Realist and Post-Positivist Methodologies for Economics

Coordinators: Tony Lawson (University of Cambridge, UK), Uskali Mäki (WIDER, Helsinki, Finland) and Andrea Salanti (University of Bergamo, Italy).

Research Area B: The Application of Evolutionary and Complex Systems Theory to Economics

Coordinator: Jean-Louis Le Moigne (University of Aix-Marseille III, France).

Research Area C: The Theory of Institutional Change

Coordinator: Sven-Erik Sjöstrand (Stockholm Business School, Sweden).

Research Area D: The Theory of Innovation and Technological Change

Coordinator: Pier Paolo Saviotti (University of Manchester, UK).

Research Area E: The Theory of Firms and Production Processes

Coordinator: Christos Pitelis (University of Cambridge, UK).

Research Area F: Theoretical and Policy Aspects of Environment-Economy Interactions

Coordinator: Jan van der Straaten (Tilburg University, Netherlands).

Research Area G: Theoretical and Policy Aspects of State-Economy Interactions

Coordinator: Friedrich Hinterberger (University of Giessen, Germany).

Research Area H: The Theory of Macroeconomic Development and Crises

Coordinator: Post Vacant

Research Area I: The Analysis of Structural and Institutional Change in Eastern Europe

Coordinator: Todor Balabanov (WIIW, Vienna, Austria).

Research Area J: Monetary Economics, Finance and Financial Institutions

Coordinator: Marcello Messori (University of Cassino, Italy)

The Research Areas are bound together by common theoretical presuppositions. These relate to EAEPE Theoretical Perspectives and to the focus on evolutionary and structural aspects of economic change.

Research Area Coordinators

Research Area Coordinators (RACs) are appointed by the Steering Committee. The primary role of a RAC is as a network-builder, linking EAEPE in with other researchers and other networks. Each RAC is encouraged to:

- (1) develop international networks and seminars relating to the research area;
- (2) apply for EC, nationally-funded or private grants for research work in the area;
- (3) develop and promote research material for future EAEPE conferences relating to the research area;
- (4) make a contribution to the development of EAEPE sponsored publications reflecting work in the research area.

Each year after appointment, each RAC is asked to submit a Research Area Report, of no less than 500 words, on the annual progress of his or her work in the Research Area, to the EAEPE Steering Committee. A token annual grant of a minimum of £100 will be awarded to each RAC, subject to the following conditions:

- (i) the Research Area Report is satisfactory and indicates satisfactory progress by the RAC in network-building and other work in the research area, and
- (ii) the Research Area Coordinator has maintained links with and personal membership of EAEPE, undertaken projects specifically linked to EAEPE, given sufficient accreditation to EAEPE in reporting or publishing the research, and has given sufficient priority to (3) and (4) – as well as (1) and (2) – above.

EAEPE Conferences

Another major implication is that the chosen Research Areas will be reflected in the EAEPE annual conference programme, and that Research Area Coordinators will have a significant role in suggesting and recruiting potential contributors to EAEPE conferences.