European Association for Evolutionary Political Economy
A Pluralistic Forum

Honorary Presidents: Janos Kornai, Luigi Pasinetti, Kurt Rothschild, Herbert Simon

NEWSLETTER

No. 23 January 2000

EAEPE 2000 Conference

2-5 November, Berlin, Germany

CALL FOR PAPERS

According to the Constitution of EAEPE, one of the aims of our Association is to promote an open-ended and *interdisciplinary* kind of analysis of real economic phenomena. Thus, the idea that economics does not stand alone in its effort to understand the social nature of economic problems has always been a distinctive characteristic of our research programmes. However, while this call for interdisciplinary raises the issue of the relation between economics and other social sciences, it is still far from being able to address it squarely. Perhaps the close of the century is the right time to put the issue on the agenda and to devote intellectual effort in trying to untangle it.

The reference to the close of the century should not be taken as yet another catch phrase of the millennium mania we are currently going through. In the 19th century Political Economy was thought of as the discipline that aimed at studying the greatest part of the social world. However, already from the end of that century, and for most of the 20th, the idea prevailed that economics and the other social sciences are *complements*, each addressing its own delimited segment of social reality, with its own distinct tools and methods. Mainstream economics is responsible for breaking this compromise in the post war period, through the idea of "economic imperialism". Consequently, economics and the other social sciences were now perceived as *competitors*. Could we still talk about this relation as one between *accomplices*, in the sense that the fragmentation of subjects, methods and analytical tools has conspicuously hindered our ability to understand the social world? Evidently, the importance of such questions on the exact nature of the relation between economics and the social sciences cannot be confined in the realm of the history of thought, for it has major implications for the kind of economics we should be trying to develop today.

As well as addressing its central theme, the 2000 conference will be open to all topics in EAEPE's Scientific Development Plan. Accordingly, other issues covered will include: economic methodology; complex socio-economic systems; institutional change; innovation and technological change; firms and production processes; ecological economics; macroeconomic regulation and institutions; the institutions of economics; structural change in Eastern Europe; monetary economics and finance; gender and economics; experimental evolutionary economics; cultural economics; need, value and pricing; economy, society and territory; economic history; computational evolutionary dynamics; information in the service economy; and the theory of production and institutional history of economics.

The Conference venue will be the Wissenschaftszentrum (Social Science Research Center) Reichpietschufer 50, 10785 Berlin. The Conference Programme Organiser is Stavros Ioannides and the Conference Local Organiser is Gernot Grabher.

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Inside this issue

EAEPE 2000 Conference

2-5 November, Berlin, Germany
Economics and Social Sciences:
Complements, Competitors, Accomplices?

Submission of Abstracts and Papers

Participants wishing to submit papers are invited to send a title with a 400-600 word abstract by email to Lydia Vaiou, Stavros Ioannides' assistant, at berlin2000@panteion.gr. Participants who cannot use email can send their abstracts to the attention of Stavros Ioannides, PANTEION University, 136 Syngrou Av., 176 71 Athens, Greece. Tel. (301) 920 1866, Fax (301) 922 3690. Priority will be given to abstracts submitted before 30 March 2000. Any questions regarding the programme can be addressed to Stavros Ioannides directly at stioan@panteion.gr.

If the paper can be fitted into the conference schedule then a final version will be requested by 31 August 2000. Both paper and abstract of paper should be sent in hard copy and on disk to Gernot Grabher, University of Bonn, Department of Economic Geography, Meckenheimer Allee 166, 53115 Bonn, Germany. Tel. (49) 228 73 7238. Fax (49) 228 73 9731. Email: berlin2000@giub.uni-bonn.de. All conference papers (those received before 15 September) will be put on a CD ROM that will be available to conference delegates on registration in Berlin.

A version of the paper is also requested for placement on the internet (in Word for Windows). This will make the paper accessible prior to the conference. Starting with this conference, a new procedure will be used to upload and download papers (a procedure that also takes care of the problem that papers accessible to the general public are being seen by some journals as "published papers"):

Use the following steps to upload your paper:

1. connect via the ftp-protocol using the logins "anonymous" or "ftp" and your email address as password to the server "eaepe.tuwien.ac.at"
2. at the remote system, change to the directory "eaepe"
3. copy your paper (file(s)) into this directory (remark: you will not be able to actually see your paper in the directory).

Use the following steps to download a paper:

1. connect via the ftp-protocol using the login [username] and the password [password] to the server "eaepe.tuwien.ac.at"
2. at the remote system, change to the directory "pub"
3. copy the paper you want to read from this directory to your computer system.

Upon paying the conference fee you will receive the username and the password.

If you need any help, send an email to Wolfgang Blaas, email: wblaas@pop.tuwien.ac.at.

Conference Bookings and Fees

All conference bookings and fees should be sent to Albert Jolink, Erasmus University Rotterdam, Erasmus Institute for Philosophy and Economics, FWB 5-04, P.O. Box 1738, 3000 DR, The Netherlands. Tel: + 31.10.408 8967. Fax + 31.10.408 8979. Email: jolink@fwb.eur.nl or vandijk@fwb.eur.nl.

The conference fee (including conference dinner) is Euro 180, plus additional Euro 35 if you book after 31 August 2000. Please note that you have to be an EAEPE member in order to attend the Conference. Payment should be made in Euros by credit card (provide number and expiry date) or bank transfer to Albert Jolink. If you do not have the 2000 conference booking form or the 2000 EAEPE membership form, please download from http://eaepe.tuwien.ac.at

The conference fee is Euro 180 and this includes the cost of the conference dinner. There is no rebate for those who do not partake of the conference dinner and no other meals are included in the price. Furthermore, there is an additional charge for those who are not yet 2000 members of EAEPE, plus an addition of Euro 35 for booking Receive on or after 1 September 2000. For detail of how to pay by credit card, see page **.

The Euro 180 conference fee would be waived for EAEPE members (principally from the former Eastern Bloc countries or Ph.D. Students) without adequate means of financial support and with a gross annual income equivalent of less than Euro 2.270 per year.
This offer is limited to the number of places available and conditional on an accepted abstract. In addition, in a limited number of cases, the conference fee will be reduced to Euro 90 for EAEPE members earning less than Euro 22.700 a year and without alternative means of financial support. It is not planned to waive or reduce conference fees for anyone with a gross income of more than Euro 22.700 a year. To apply for the conference fee to be reduced or waived write to Albert Jolink at the address below. Include a completed conference booking form, a letter explaining the basis of the application and indicate whether you have submitted an abstract.
An administration fee of Euro 45 will be deducted from conference fees returned to delegates due to cancellation of attendance by the delegates.

The conference fee does not include accommodation. Hotel bookings are the responsibility or delegates themselves.

EAEPE Council

The main EAEPE administration is located at Erasmus University Rotterdam, Erasmus Institute for Philosophy and Economics, Oostmaaslaan 950-952, Rotterdam, The Netherlands.
The EAEPE administrative secretary in Rotterdam is Loes van Dijk. Email: vandijk@fwb.eur.nl

EAEPE President: Robert Delorme, Université de Versailles, CEPREMAP, 142 rue du Chevaleret, 75013 Paris, France. Tel: (33) 1 40 77 84 43. Fax: (33) 1 44 24 38 57.
EAEPE General Secretary: John Groenewegen, Department of Economics, Erasmus University, PO Box 1738, 3000 DR Rotterdam, The Netherlands. Tel: (31) 10 408 1383. Fax: (31) 10 452 5790.
EAEPE Treasurer: Albert Jolink, Erasmus University Rotterdam, Institute for Philosophy and Economics, Oostmaaslaan 950-952, Rotterdam, The Netherlands. Tel: (31) 10 408 8967. Fax: (31) 10 212 0448.
EAEPE 2000 Conference Programme Organiser: Stavros Ioannides ,***
EAEPE 2000 Conference Local Organiser: Gernot Grabher, University of Bonn, Meckenheimer Allee 166, 53115 Bonn, Germany

EAEPE Newsletter Editor: Gráinne Collins, Employment Research Centre, Trinity College Dublin, Ireland.
EAEPE Scientific Development Plan Officer: Klaus Nielsen, Department of Social Sciences, Roskilde University, Post-box 260, 4000 Roskilde, Denmark. Tel: (45) 46 75 77 11. Fax: (45) 46 75 66 18.
EAEPE Prize Competition Co-ordinator:
Kurt has stepped down from the council co-ordinator but agreed to co-ordinate the competitions for 2000.
Kurt Dopfer, Sandrainstrasse 21, CH-9010 St Gallen, Switzerland. Tel: (41) 71 224 25 77. Fax: (41) 71 245 06 91. Email: kurt.dopfer@unisg.ch.

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Klaus Nielsen	(DENMARK)	Knielsen@ruc.dk
Ugo Pagano	(ITALY)	pagano@unisi.it

EAEPE Scientific Committee:

The Scientific Committee helps plan the programme and selects the papers for the 2000 conference. The 2000 Scientific Committee are: Stavros Ioannides (programme organiser), Gernot Grabher (local organiser), Charlie Dannreuther, Irena Paucelle, Ioanna Minoglou, and Hella Hoppe.

The 2000 EAEPE Membership Meeting in Berlin

An EAEPE Membership Meeting has been called in Berlin on the 4th November 2000.

EAEPE and the Internet
The EAEPE home page is : http://eaepe.tuwien.ac.at. In addition, it is important that John Groenewegen, the EAEPE General Secretary, is informed of your current email address, in order to send out current information etc\\. Please inform him on groenewegen@few.eur.nl.

The EAEPE 2001 Conference

The EAEPE Council is planning to hold the 2001 Conference in early November in Siena. – watch this space

FEED Names and Addresses

The Foundation for European Economic Development (FEED) is registered charity number 1001277 under the Charities Act 1960 (England and Wales). FEED has sponsored and supported past EAEPE activities.

FEED Chairperson:
Andrew Tylecote, Sheffield University Management School, 9 Mappin Street, Sheffield S1 4DT, UK. Work telephone (44) 0114 222 2000. Fax: (44) 0114 222 3351. Email: a.tylecote@sheffield.ac.uk.

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FEED Board of Trustees:
Ash Amin, Wolfgang Blaas, Charles Dannreuther, Robert Delorme, John Groenewegen (Secretary), Geoff Hodgson (Treasurer), Albert Jolink, Giles Slinger, Andrew Tylecote (Chairperson).

International Activities of EAEPE Council Members

Our Council member, Professor Kurt Dopfer, is acting as a Chairman of the Committee for the Schumpeter Prize of the International Joseph A. Schumpeter Society. The Prize will be awarded for a work broadly in line with Schumpeterian and evolutionary thinking and carries 10'000 ECU. The Prize will be awarded in Manchester in spring 2000. EAEPE members may find full information in the EAEPE Newsletters. Kurt has also been voted as Chairman of the Ausschuss für Evolutorische Ökonomik (Committee for evolutionary economics) from January 1, 2000, on. The Ausschuss is part of the organization of the German speaking professional association of economists, the Verein für Socialpolitik, founded by Gustav Schmoller. The Ausschuss comprises 80 Professors and is as such the largest of the Verein. Its activities include the annual publication of a book on evolutionary economics.

EAEPE homepage visits 1999	
March	648
April	601
May	561
June	598
July	550
August	555
September	768
October	930
November	806
sum	6017
average	669

2000 Kapp and Myrdal Prize Competitions

Entries for the 2000 Kapp and Myrdal competitions are now welcome, with a closing date of 20 January 2000:

K. William Kapp Prize

Amount: £1000 (half funded by the William Kapp foundation).
Awarded annually for the best article on a theme broadly in accord with the EAEPE Theoretical Perspectives (minimum 5,000, maximum 12,000 words). Submissions for the 2000 Kapp prize should be unpublished on 1 January 2000.

Gunnar Myrdal Prize

Amount: £1000 (all funded by EAEPE)

Awarded annually for the best monograph (i.e. a book, and excluding multi-authored collections of essays) on a theme broadly in accord with the EAEPE Theoretical Perspectives. Submissions for the 2000 Myrdal prize should be either unpublished, or published no earlier than 1 January 1998.

Entries must be received by the EAEPE Prize Competition Co-ordinator by the strict deadline of 20 January 2000. Entries should be sent to the EAEPE Prize Competition Co-ordinator Kurt Dopfer, Sandrainstrasse 21, CH-9010 St Gallen, Switzerland. Tel: (41) 71 224 25 77. Fax: (41) 71 245 06 91. Email: kurt.dopfer@unisg.ch.

Please send your prize entries to Kurt, and not to the EAEPE General Secretary. If your entry is sent to the wrong address, delay will result and you may miss the 1 January deadline for the prize. EAEPE will not be held responsible for prize submissions that are dispatched to the wrong address. Five non-returnable copies should be submitted for the Kapp Prize and four non-returnable entries for the Myrdal Prize. Awards of the 2000 prizes will be made at the 2000 EAEPE Conference.

The EAEPE Myrdal Prize Award in Prague, November 6, 1999.

Why the Nobel Prize differs from EAEPE Prizes –and some reflections beyond by Kurt Dopfer

I have the pleasure to say a few words on a most delightful and most important event: The awards of the Kapp Prize and the Myrdal Prize. Both Prizes are awarded for outstanding scientific work conducted in accordance with the theoretical objectives of EAEPE. The Myrdal Prize is awarded for the best published or unpublished book, the Kapp Prize for the best unpublished article. Both Prizes carry a money award that is considerably lower than that of the Nobel Prize, but as you all know, our Prizes are much more prestigious. But, there is also another evident commonness between the two Prizes. There is a lot of fight and struggle going on before and after the award of the Prizes. The head of the Nobel Prize Committee has published some time ago an article in which he laid down the criteria for the awarding of the Prize in order to counter some of the wide spread dissatisfaction in the community of economists.

I have had the pleasure of being involved in the Prize Committees of EAEPE for several years and of serving as a co-ordinator of the Prize Committee that has been set up two years ago. It is with regret that I announce that I will not run in the next election for the EAEPE Council and therefore retire also from the Prize Committee (but remain co-ordinator for this year). I am aware that my life will be less colourful from now on. As you know, there has been an ongoing discussion within the EAEPE Council and in the internet that deals with the issue of bringing new people, new ideas and new energy into the Council.

There is another important distinction between the Nobel Prize and the Kapp Prize. The Nobel Prize has been awarded every year since its existence in 1967. The Kapp Prize has not had this impeccable record. In the last four years, it was awarded only once. It seems appropriate to inform you briefly about a few procedures that relate to the awarding of the Kapp and Myrdal Prizes. The Prize Committee is a special committee of the EAEPE Council. Its function is to pre-screen the entries and to provide a detailed evaluation of them. The task of the co-ordinator is to bring together the various results of the members of the Prize Committee and to provide an overall comparative assessment, for instance by providing some unnecessary statistics or graphs. The EAEPE Council is the big authority. It considers the suggestions of the Prize Committee, but is basically quite free in its judgement. A little story from the Austrian emperor, Kaiser Franz Joseph, may demonstrate the situation. When the generals suggested to the emperor that he should go to war against his neighbours and presented the best arguments in favour of victory, the emperor said, that this is all convincing, but he added in his distinct Viennese: I mog ned (I just don't feel like it). It is always good to have several levels of decision making, particularly if the consequences of a decision process tend to be grave. Now in the case of the royal authority of the EAEPE Council, this has led sometimes to a situation where the Council members were not entirely fond of the proposals of the Prize Committee. I think we are on the right track finding a solution for this and other riddles by calling for more responsibility of and by granting the necessary competencies to the Prize Committee. Together with John (our Secretary General), I have developed some rules for the prizes which will be discussed at the next Council meeting in Rotterdam in spring 2000.

As for this year's Prize award, the bells will ring for the recipient of the Myrdal Prize, they will not ring for the Kapp Prize. Why do we have this unequal ringing of the bells? I have said at a similar occasion at our last conference in Lisbon that any non-awarding of Prize just signals how high our standards are. I guess, this cannot be repeated too often without producing concerns. The general question is: What are the EAEPE standards? Specifically, is there a difference between the standard applied for the Kapp Prize and that for the Myrdal Prize?

Two considerations shall suffice at this point. The evaluation standard is evidently the same for both Prizes. Given the common objective for the two Prizes, it suffices to refer to the fact, that we do not have any split brain patients in the Council and rare observations of epilepsy. A crude quantitative consideration may indicate where the causes lie. The

number of entries of the Myrdal Prize is twice the number of entries of the Kapp Prize. What would represent a rational expectation with regard to the ratio of Prize Awards and Prize non-Awards? I think that, ceteris paribus, the ratio should be also expected to be two to one in favour of the Myrdal Prize award. Another criterion is of a qualitative nature. The present rules for the Myrdal Prize state that the entry must represent a published book or publishable manuscript. This obligation goes with the important implication that the manuscripts are generally already screened or chosen by a publisher, before it reaches the Prize Committee. There is generally an important selection process at work in the case of the Myrdal Prize. The rule for the Kapp Prize that the article must not be published. There is thus no comparable pre-screening or preselection in the case of the Kapp Prize. Whatever the ultimate reason, I guess that most members of the Prize Committee would share the view that there is much less disagreement about the scientific quality in the case of the Myrdal Prize as compared with that of the Kapp Prize.

There are also many funny incidents in the entries for the Kapp Prize. For instance, one participant submitted four entries simultaneously. Though I argued, on what seemed to be rational grounds, that we can accept only one entry per author per year, there still was an exchange of letters on the game theoretic character of scientific prizes. I must resist the temptation at this point to tell further stories, though they all have their distinct flair of humour. Generally, my proposal is that the entries undergo a minimal pre-screening or preselection before submission to the Prize Committee.

It is time to turn to the most enjoyable part of this event, namely the awarding of the Myrdal Prize. This years Myrdal Prize is being awarded to Esther-Mirjam Sent for her book entitled "The Evolving Rationality of Rational Expectations – An Assessment of Thomas Sargent's Achievements". Esther-Mirjam Sent's book has been considered by the Council to represent a superbly crafted and innovative book, breaking new ground in the way it deals with a mainstream economist. The book looks at the ideas, development and rhetoric of Sargent in an original way and is a shining example of detailed and careful criticism of a mainstream economist.

I shall follow now an old tradition that the prize sum is awarded by one of our guest speakers. Since we always have a number of excellent guest speakers, we chose the guest speaker randomly. Please note that I handed over the cheque with the prize sum of £1,000 before dinner, which demonstrates the great trust we have in our guest speakers. May I kindly ask Professor Esther-Mirjam Sent and Professor Ricardo Petrella to come to the floor.

EAEPE is affiliated to ICARE, an organisation that carries invaluable information about organisations, conferences, journals, etc.
International Confederation of Associations for the Reform of Economics [ICARE]
ICARE's Statement of Purpose:
There is a need for greater diversity in theory and method in economic science. A new spirit of pluralism will foster a more critical and constructive conversation among practitioners of different approaches. Such pluralism will strengthen standards of scientific inquiry in the crucible of competitive exchange. The new pluralism should be reflected in scientific debate, in scholarly conferences, in professional journals, and in the training and hiring of economists.
ICARE is a confederation that will facilitate the exchange of information and other fruitful collaboration, with a view to a fundamental reform of the discipline of economics, by opening it to a healthier variety of interdisciplinary and other studies of economic behaviour.
Contact person: John Adams, Executive-Secretary, ICARE, Department of Economics, Northeastern University, Boston, Massachusetts 02115 USA. Tel: (1) 617 373 2872 (office) or (1) 508 668 4135 (home). Fax: (1) 617 373 3640 (office). Email: jadams@lynx.neu.edu (office) or ntvf60b@prodigy.com (home).
Icarnet on line for news and exchanges:
To subscribe write to: MAISER@casdn.neu.edu and send the message SUBSCRIBE ICARNET. If you encounter any problems write to jadams@lynx.neu.edu for help.

NETWORK INSTITUTIONAL THEORY:
Institutionalisms in Economics and Sociology – Variety, Dialogue and Future Challenges

The Danish Social Science Research Council has decided to fund for three years the activities of this international research network. Below, you'll find a brief description of the overall ideas and the purpose of the network as well as the planned activities, etc. You are invited to take part in the activities of the network. You will receive the first Newsletter of the research network on request. See also the network homepage: http://www.ssc.ruc.dk/Research/projects/network-inst.html. If you want to take part in the network, or if you want further information, please contact Jeanett Allshauge, Roskilde University, Department of Social Sciences, Hus 24.2, PO Box 260, 4000 Roskilde (jeanetta@ruc.dk).

It is the ambition of the research network to contribute to the further development of institutional theory (with particular emphasis on contributions from economics and sociology) through dialogue between different approaches and joint work with areas of common interest.

The research network includes representatives from the following five institutionalist approaches in economics and sociology (and political sciences): new institutional economics, "old" institutional economics, new economic sociology, new institutionalism in sociology and organization theory, and historical institutionalism.

The funding makes possible the organization of an international conference and a number of workshops, seminar series at Roskilde University, visiting professorships, participation at international conferences and workshops, guest scholarships abroad, and publication of books, research reports and working papers.

The objectives of the research collaboration are, first, to develop an updated understanding of the variety as well as the overlap among the various institutional approaches; second, to develop a state-of-the-art overview of promising joint themes, problems and future challenges as a basis for future collaboration; and, third, to engage in such joint work within selected themes and problems. Whereas the first two objectives are pursued in on-going seminars and the publication activities within the network as well as a final international conference in the last year of the network period , the third objective is the subject of four international workshops organised during the network period.

There are many overlapping interests and promising themes of dialogue and collaboration. In a recent review article in Journal of Institutional and Theoretical Economics, Paul DiMaggio outlines three common challenges for future joint endeavours of institutionalist theorists: how to develop an evolutionary approach; how to conceptualise society as "constructed reality"; and how to take account of the prevalence of various types of networks and their relations to (other) institutions. This research network has four themes which more or less integrates these three challenges. The themes are the following:
- "Uncertainty and ambiguity: mental models and institutions"
- "Social capital, trust and networks"
- "Knowledge, learning and institutions"
- "Cognitive processes, values and institutional change".

All the workshops will be organised at Roskilde University, Denmark. The first two will take place during 2000:
"Uncertainty and ambiguity: mental models and institutions" (25-26 May)
"Social capital, trust and networks" (Oct./Nov; the exact date will soon be decided)

The research network is based at the Department of Social Sciences at Roskilde University, Denmark. The core group consists of thirteen scholars from the department organized around a long-term research program titled "Institutions, actors and institutionalization". Professor Klaus Nielsen, Roskilde University, is the network co-ordinator. Jeanett Allshauge is the secretary of the network. In addition, scholars from other Danish universities and a group of leading international scholars within the field also take part in the network. At present, the following international scholars have agreed to take part in the network: Suma Athreye, UMIST, United Kingdom; Jens Beckert, Frei Universität Berlin, Germany; John L. Campbell, Dartmouth College, USA; Paul DiMaggio, Princeton University, USA; Frank Dobbin, Princeton University, USA; Thrainn Eggertsson, University of Iceland, and University of Jena, Germany; Neil Fligstein, University of California, Berkeley, USA; Mark Granovetter, Stanford University, USA; John Groenewegen, Erasmus University, Rotterdam, The Netherlands; Peter A. Hall, Harvard University, USA; Geoff Hodgson, University of Hertfordshire, United Kingdom; Geoff Ingham, University of Cambridge, United Kingdom; Richard Langlois, University of Connecticut, USA; Stan Metcalfe, CRIC, University of Manchester, United Kingdom; Bart Nooteboom, University of Groningen, The Netherlands; Douglass C. North, Washington University, St. Louis, USA; Kjell-Arne Røvik, Tromsø University, Norway; and Richard Swedberg, Stockholm University, Sweden.

Klaus Nielsen

EAEPE Publications

In collaboration with Edward Elgar Publishing, EAEPE is proud to announce the publication of the volumes listed below.

Edward Elgar Publishing would like to conduct an experiment in the elasticity of demand for EAEPE conference volumes and would propose that the following four titles be offered to EAEPE members at a special price of only £20.00 plus postage and packing:

☐ Selected papers from the 1996 EAEPE conference, edited by. John Groenewegen and Jack Vromen: on Institutions and the Evolution of Capitalism. The normal cost is £59.95 but the volume is sold to paid-up EAEPE members at a high discount price of £20.00.

☐ Selected papers from the 1995 EAEPE conference in Krakow, edited by Ash Amin and Jerzy Hausner, entitled Beyond Market and Hierarchy: Interactive Governance and Social Complexity. The normal cost is £59.95 but the volume is sold to paid-up EAEPE members at a high discount price of £20.00.

☐ Selected papers from the 1994 EAEPE conference in Copenhagen, edited by Klaus Nielsen and Björn Johnson, entitled Institutions and Economic Change: New Perspectives on Markets, Firms and Technology. The normal cost is £55.00 but the volume is sold to paid-up EAEPE members at a high discount price of £20.00.

☐ Selected papers from an 1994 EAEPE workshop in Bergamo have been published in a volume edited by Andrea Salanti and Ernesto Screpanti on Pluralism in Economics: New Perspectives in History and Methodology. The normal cost is £59.95 but the volume is sold to paid-up EAEPE members at a high discount price of £20.00.

☐ Selected papers from the 1993 EAEPE conference in Barcelona have been published in a volume entitled Environment, Technology and Economic Growth and edited by Andrew Tylecote and Jan van der Straaten. The normal cost is £49.95 but the volume is sold to paid-up EAEPE members at a high discount price of £20.00. Postage and packing: Either (UK) Please add £2.50 for the first book and £0.50 per book thereafter, OR (Overseas) $4.00 per book (airmail).

Other EAEPE volumes are available at the following prices:

☐ Selected papers from the 1993 EAEPE conference in Barcelona have been published in a volume entitled On Economic Institutions: Theory and Applications and edited by John Groenewegen, Christos Pitelis and Sven-Erik Sjöstrand. The normal cost is £49.95 but the volume is sold to paid-up EAEPE members at a 50% discount price of £25.00.

☐ Papers from the 1992 conference have been published in a volume entitled The Political Economy of Diversity: Evolutionary Perspectives on Economic Order and Disorder and edited by Robert Delorme and Kurt Dopfer. The normal cost is £55.95 but the volume is sold to paid-up EAEPE members at a 50% discount price of £28.00.

☐ Copies of the 1991 conference volume are still available, entitled Mixed Economies in Europe and edited by Wolfgang Blaas and John Foster. The normal cost is £59.95 but the volume is sold to paid-up EAEPE members at a 50% discount price of £30.

☐ 1990 conference volumes are also still for sale, entitled 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.

All the above volumes are available from Amanda Johnson, Edward Elgar Publishing Ltd, 8 Lansdown Place, Cheltenham, Glos. GL50 2HU, UK. Tel: (44) 1242 226 934. Send payment with your order, and mention that you are an EAEPE member.

Royalties for these volumes will be paid to EAEPE.

Journals with Reduced-Rate Subscriptions for EAEPE Members

Paid-Up EAEPE Members Receive Substantial Discounts on Subscriptions to the Following 5 Journals:

Cambridge Journal of Economics

Among all general and heterodox, economics journals in the world, the *CJE* is consistently the most highly-cited.

Founded in the tradition of Marx, Keynes, Kalecki, Joan Robinson and Kaldor, the *CJE* provides a focus for theoretical, applied, interdisciplinary and methodological work, with strong emphasis on realism of analysis, the development of critical perspectives, the provision and use of empirical evidence, and the construction of policy. The editors welcome submissions in this spirit on economic and social issues.

Articles should be submitted in triplicate to Ann Newton, Faculty of Economics and Politics, University of Cambridge, Sidgwick Avenue, Cambridge CB3 9DD, UK.

EAEPE members are entitled to a 20% discount. The reduced rate is £37.60/$60 (normally £47/$75). Contact: Journals Marketing Dept, Oxford University Press, Walton Street, Oxford OX2 6DP, UK. Tel: (44) 1865 556 767.

Industrial and Corporate Change

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INSECURITY IN MODERN CAPITALISM: A CHALLENGE TO SOCIAL DEMOCRACY?

This article is an edited extract from chapter 2 'Who dreams of failure? Insecurity in modern capitalism' in Insecure Times: living with insecurity in contemporary society edited by John Vail, Jane Wheelock and Michael Hill (Routledge 1999)

Jane Wheelock, Professor of Socio-economics, Department of Social Policy, University of Newcastle upon Tyne

.....I am alone, exposed
In my own fields with no place to run
From your sharp eyes. I, who a moment back
Paddled in the bright grass, the old farm
Warm as a sack about me, feel the cold
Winds of the world blowing. The patched gate
You left open will never be shut again
R. S. Thomas, Invasion on the Farm.

Does insecurity matter?

The insecurity of the livelihoods made from Welsh hill farming seared through the poetry of R. S. Thomas even in the apparently prosperous mid-1950s. More than a century earlier Marx and Engels had warned in The Communist Manifesto that 'Constant revolutionising of production, uninterrupted disturbance of all social conditions, everlasting uncertainty and agitation' mean that 'all that is solid melts into air' (Marx and Engels, n.d. pp 53-4). Do capitalist societies generate insecurity by their very nature? Probably most social scientists and economists would agree that they do, but there are profound disagreements about its significance. The bulk of economists argue that capitalism thrives on a degree of uncertainty, seeing insecurity in terms of opportunity. For it is uncertainty that opens up possibilities for profitable investment by business entrepreneurs. Capitalist accumulation and economic growth are the outcome. True, the operation of markets can result in considerable insecurity for sectors of the population - even whole countries - for periods of time. But market forces will ensure a spontaneous movement to a new social order within reasonable time, as economic equilibrium is re-established. Insecurity of livelihoods is an unwanted, but necessary by-product of a market system. Others (including many of those economists who might prefer to call themselves political economists) argue that the insecurity generated by capitalism has important economic, social and individual effects that need to be addressed. They want to ensure that economic activity serves social as well as economic purposes. Insecurity at what expense? At whose expense? The argument here is that the economic downside of uncertainty and insecurity has been insufficiently investigated. The political agenda of social democracy in Europe could appeal directly to the daily experience of substantial sectors of the population were it to be informed by a debate on insecurity.

The main differences in the debate are between those who see insecurity as a necessary element for the success of capitalist markets, and those who dwell on its problems. The former start from the classical argument that Adam Smith is most famous for: the pursuit of individual self-interest leads to the greater good of society as a whole. It is the invisible hand of the market that makes individual selfishness - and particularly the self-seeking of the capitalist - into the foundation stone for economic growth and the prosperity of all. Insecurity provides the opportunity for the economically fittest to survive. There are two camps in this group. One place most emphasis on the key role that the capitalist entrepreneur plays in ensuring innovation in markets; Joseph Schumpeter and the Austrian school of economists embrace the insecurity this creates with open arms. The other camp acknowledge the inevitable instability in processes of market adjustment as individual capitalists, landowners and employees pursue their own gain, but argue that this is justified by the efficiency with which the factors of production - capital, land and labour - are then applied to the process of economic growth.

For mainstream economists - and for Marx - it is the incentive for capitalists to make profits in a competitive environment that encourages investment in technological change, and thus growth - and in the process generates insecurity. Marxists acknowledge that capitalism has made huge material advances possible, but they also identify capitalism as the prime suspect in causing quite unacceptable levels of insecurity for the working class and other marginalised groups. Others, for whom Karl Polanyi is the most noted champion, identify the extension of market relations as the source for insecurity. For this group, state regulation is essential to counteract the destructive impact of the spread of markets, and will help to establish much needed security for excluded groups.

Insecurity is a timeless concern that is always with us. However, the existence of business cycles, and of long waves of expansion and depression indicate that in economic terms at least,

there is more insecurity at some points in time than others. Space precludes discussion of how the end of the post-Second World War 'golden era' of economic growth, signalled by the 1973 oil crisis, shows the possibility of an intensified structural tendency to insecurity in this fin de siècle period. Such an analysis points towards the conclusion that the pursuit of gain in capitalist markets may lie at the root of all analyses of insecurity, whether positive or negative.

Celebrating insecurity: insecurity as opportunity

Is insecurity a necessary element for the success of capitalist markets? Economists in the Austrian tradition have been vocal in their support for this proposition, and Joseph Schumpeter still puts the case for capitalist insecurity in as convincing a manner as any. He exemplifies the concerns of economists who have followed in the footsteps of Von Hayek to look at markets as institutions which undergo dynamic change under the leadership of enterprising capitalists. J. A. Schumpeter started his analysis of capitalism from the psychological predisposition of the entrepreneur. For Schumpeter, capitalism has been singularly effective because it is cast in a purely economic mould, in the sense that 'prizes and penalties are measured in pecuniary terms'. This appeals to, and creates, 'a schema of motives that is unsurpassed in its simplicity and force. The promises of wealth and the threats of destitution that it holds out, it redeems with ruthless promptitude' (Schumpeter, 1954; 73). Such promises attract business people to seek out new markets, look for new methods of production and new forms of organisation, find new consumer goods. Yet Schumpeter acknowledges that the system is neither just nor fair because: 'Spectacular prizes much greater than would have been necessary to call forth the particular effort are thrown to a small minority of winners' (ibid. p 73). It is capitalism's effectiveness that provides its justification.

How then does capitalism function? Schumpeter sees this as an evolutionary process. 'Industrial mutation ... incessantly revolutionises the economic structure from within, incessantly destroying the old one, incessantly creating a new one. This Creative Destruction is the essential fact about capitalism' (ibid. p 83) The perennial gale of creative destruction can cause institutional chaos: in the process 'many firms have to perish' and it 'so disorganises an industry for the time being as to inflict functionless losses and to create unavoidable unemployment' (ibid. p 90). Large firms will attempt to control this destructive situation by restrictive practices, insurance and hedging. Competition for Schumpeter is a life and death struggle between giants, who will use any technique to gain the upper hand.

Contemporary economists do not generally use the term insecurity; they discuss risk, and uncertainty. They are interested in how business people respond to these challenges thanks to the possibility of reaping rewards, so that both risk and uncertainty are analysed from the perspective of their impact on capital. Post Keynesians draw out the distinctions between risk and uncertainty (Skuse, 1994). In the case of risk, probability can be attached to the range of possible outcomes: it is businesses based on speculation that rely on such calculations, whether in share or currency markets for example. Short-term decisions about whether to expand or contract output from a given plant may also be based on specific calculations of risk. In the case of uncertainty even the outcomes are unknown, so that G. L. S. Shackle often preferred to call it 'economic unknowledge' instead (Loasby, 1996). Businesses undertaking investment will inevitably do so on the basis of uncertainty, of partial ignorance. Profits are the reward for success in a fight for the survival of the fittest; bankruptcy is the price of failure.

Yet very few economists have concerned themselves with the other side of the coin of the profit incentives seen as essential to induce firms and entrepreneurs to undertake risky or uncertain ventures in a market economy. For what more certain way of ensuring profits than to off load insecurity onto others? Insecurity can be passed on to weaker sections of the community in all sorts of ways. One obvious way of underpinning profits is to pursue strategies which mean that employees bear the brunt of uncertainty.... or even risk (Wheelock, 1999). For economists have largely ignored the market uncertainty experienced by labour. There is no coherent modern analysis of the impact of insecurity on labour as a factor of production, nor the ways in which it might promote or hinder economic efficiency.

A second important strategy for managing insecurity in the business environment is to limit the impact of competition. Large firms in particular are often in a position to manipulate and control the competitive environment through take-overs or agreements with rival firms, through domination over suppliers or distributors and a host of other mechanisms. The systematic incentive for firms to control competition allows the insecurity deriving from competition to be passed on to others. The instability of competition encourages strategies which bring forth its opposite: a shift towards a more secure monopolised environment (see for example, Sawyer, 1982).

Within the neo-classical tradition there is, then, a strong belief that competition, and the insecurity it generates, provides a potent mixture of fear and opportunity which is generally good for business, for efficiency, and therefore for economic growth. At the same time, the disciplinary power of competition is taken as given, so that there is no call to investigate power or distribution relations. (See Rothschild, 1971) Indeed, distribution

inequality between labour and capital is usually seen as a desirable route to promoting savings, and therefore investment and growth. Competition will limit excessive inequality, and labour will eventually be compensated (at an unspecified time and by an unspecific amount) when economic growth 'trickles down'.

Insecurity as destabilising

Karl Marx's political economy provides a fascinating bridge between those who argue that insecurity is on the whole desirable for capitalism and the market system and those who see the levels of insecurity it promotes as unacceptable. For Marx acknowledges that capitalism has led to huge increases in material production, and then links this with an analysis which focuses on the exploitation of the working class. Because he takes the view that the basic function of an economic system is to provision all its members, Marx identifies a fundamental problem with capitalism. This is the possibility of a failure of social reproduction; the danger that society may not be able to provision itself in ways that allow it to reproduce itself, materially and socially.

The capitalist class 'during its rule of scarce one hundred years, has created more massive and more colossal productive forces than have all preceding generations together' argued Marx and Engels in the Communist Manifesto (Marx and Engels, n.d. p 56), yet capitalism is a society which 'has conjured up such gigantic means of production and exchange, [and] is like a sorcerer, who is no longer able to control the powers of the nether world whom he has called up by his spells.' (Ibid., p 58). In the three volumes of Das Capital and his other economic writings, Marx develops an analysis of the nature of capital, its relation with the working class, and of inter-capitalist relations, to explain the basis for this insecurity and the constant change lying at the heart of capitalist achievements.

Today it is Marx's success in exposing the underside of capitalist development that remains morally convincing as he spells out 'The devastation caused by a social anarchy which turns every economical progress into a social calamity' (Marx, 1912; 493). In the post-war golden era of economic growth one could be sceptical of Marx's dire warnings of capitalist production as 'prodigal with human lives, with living labour, wasting not only blood and flesh, but also nerves and brains' (Marx, 1909; 106). It is less the case as we approach the millennium.

Whilst the class nature of capitalist production provided Marx with his fundamental analytical tool, it is the destruction of institutions that lies at the heart of Karl Polanyi's writings. For Polanyi this disastrous feature derives from the development of the self-regulating market, whose most prominent characteristic is that it is based on gain. Whilst acknowledging that 'all types of society are limited by economic factors', nineteenth century civilisation was economic in the unique sense of basing itself on gain argues Polanyi in The Great Transformation. Vast economic improvement was accompanied by an avalanche of social change, and 'The rate of change is often of no less importance than the direction of change itself' (Polanyi, 1946; 44). For the control of the economic system by the market means no less than running society as an adjunct to the market. The market mechanism cannot be allowed to be the sole director of the fate of human beings or they would perish from social exposure, as would landscapes and business enterprises. 'The disintegration of the cultural environment of the victim is then the cause of degradation', becoming a lethal injury to the social institutions in which social existence is embodied (ibid. p 159). For Polanyi, the good economy is one that provisions the lives of individuals and their societal institutions, for 'A society whose freedoms are purchased at the cost of injustice and insecurity is neither enduring nor good' (Stanfield, 1986; 141).

Polanyi, then, is representative of that group of political economists who find insecurity as an unwanted by-product of the capitalist self regulating markets that have contributed so much to the growth of material output. The restlessness of this process is destructive of the lives of people, of institutions, indeed of capital itself.

The economic paradigm rejects engagement with the distribution of power in a market economy, and so fails to provide a coherent specification of insecurity. Keynes (1936) was instrumental in exposing the paradoxes that this gives rise to, showing how macro level market failure can lead to widespread unemployment. Uncertainty provides the opportunity for one set of economic agents - namely firms - to invest. Firms are driven by the prospect of profits to undertake investment, and greater investment leads to capital accumulation and to economic growth. But what Keynes called the 'animal spirits' of business leaders may focus on the dangers of making losses; there may be 'dreams of failure' with business confidence at a sufficiently low ebb for investment decisions to be delayed. Economic growth will not take place in the face of such bad dreams.

But insecurity provides no opportunity for labour. For firms can frequently see possibilities for maximising profits by reducing costs through labour saving technologies or organising production in ways which require less labour. In effect, then, insecurity only acts as a constraint on labour. Only if households are confident that members can get employment in other firms, industries or locations may they borrow, and so continue to spend, inducing firms to continue to produce. Households will however still have to repay borrowings in the future, so that sooner or later insecurity impacts on labour through a reduction in spending. Even more

likely is that insecurity and the threat of unemployment eat away at household savings. Keynes insight was that the different ways in which employers and employees experience, and respond to insecurity, may in fact lead to cumulative undermining of economic growth if insecurity is perceived as a constraint on both sides.

Living with insecurity?

To sum up, the humanist critique of the capitalist market system sees rewards in excess of what is required for effort being extracted by some, at the expense of insecurity for others (Hobson, 1922; 1928). For all those political economists who are prepared to look at the downside, the need to establish some form of control over the effects of insecurity is morally justified, whether by revolution, state regulation or through much more democratic social control. In the golden age of post-war state managed capitalism, the unprecedented growth of economic output and the opportunities this provided made it easier to ignore insecurity. Even so, 'One may care less for the efficiency of the capitalist process in producing economic and cultural values than for the kind of human beings it turns out and then leaves to their own devices, free to make a mess of their lives' (Schumpeter, 1954; 129). How far do we now need to turn our attention to the downside again? A serious engagement with the experience of insecurity that blights the daily lives of the time-harried employee, the time-burdened unemployed and women bearing a double burden of unpaid and paid work could do much to counter the political apathy that New Labour style social democracy sometimes finds itself confronting.

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Abstract of Recent PhDs

1. Fieke van der Lecq (formerly Groningen University)

Money, Coordination and Prices

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This book aims at explaining the phenomenon of nominal price rigidity from the characteristics of a monetary economy. It thus aims at connecting the theory of money with the theory of value, albeit to a modest extent. Unfortunately, most theories of nominal price rigidity take transactions in terms of nominal prices as no more than the exchange against the money value of commodities without considering the impact of the use of money on the functioning of the economy. The book argues that a monetary economy differs fundamentally from a real economy. The functioning of the monetary economy is a topic of research itself rather than a mere stepping stone in

the process of developing the argument on nominal price rigidity.

In many mainstream models, money is postulated. But what if money really matters? The true challenge lies in finding an alternative to the several (pseudo-)monetary models, by which money and nominal prices can be treated within one paradigm. Useful starting points are given by the work of Keynes and Post Keynesian theory, the buffer stock theory of money, the theory of customer markets, and insights from institutional economics. Fundamental uncertainty and historical time are shown to be prerequisites for a monetary economy. They influence the way agents decide and the way all agents' decisions result in macroeconomic outcomes. Interpreting the use of money as a convention enables a theory to deal with real world monies even though they may be suboptimal from transactions costs point of view.

Several types of theories about nominal price rigidity are discussed. Some theories only deal with individual price setting decisions, such as the menu-cost approach, while others incorporate co-ordination issues, like the theories on multiple equilibria in price setting. Theories on co-ordination problems assume that information concerning the behaviour of other agents may be lacking instead of, or in addition to, the lack of information on market variables which is allowed for in many models of individual price setting behaviour. The theories on cost-based pricing, mark-up pricing and administered prices study the impact of the market structure on pricing decisions. In these theories, prices serve other purposes than equilibrating supply and demand, such as covering the costs of production or keeping up a market structure. It can be argued that prices support relations between buyers and sellers, in customer markets as well as in industry buyer-supplier relations. In this sense, they can be seen as facilitating the co-ordination of price setting decisions so that nominal price rigidity can be appreciated.

The book continues with a study of co-ordination problems that occur in an economy. A formal-game theoretic interpretation of co-ordination problems shows that game-theoretic techniques for equilibrium selection or securing the highest pay-off outcome do not always suffice, which raises the need for exogenous information. Even if agents know everything except the actions of others, the co-ordination problem cannot always be solved. Norms, being rules of behaviour, which take the form of conventions and institutions, may provide this information. Institutional economics complements the formal treatment of norms for behaviour, because it analyses institutions from transactions costs, as well as an evolutionary and a behavioural point of view. The combination of game theory and institutional economics provides a framework in which conventions and institutions can be seen as devices for solving the co-ordination problems that follow from uncertainty. The convention of using money and the institutions surrounding it as well as conventions and institutions concerning nominal price setting structure the interaction between individual agents, so that transactions are facilitated.

A related concept is trust, which plays a role in many kinds of economic relations, particularly monetary transactions relations. It turns out that two aspects of trust are important: an information aspect and a normative aspect, and that the impact of trust can be analysed at two levels: the bilateral level and the societal level. In terms of co-ordination games, the high level co-ordinated outcome comes within reach once members of an economy share a set of ethical values: norms for behaviour. Further, if the level of trust is high in an economy, agents dare to take more risks, thereby lowering the transaction costs, which go together with aiming for complete contracts. Shared ethical values both provide a focal point in pure co-ordination games and prevent defective behaviour in conflict games. These insights are applied to the use of money and nominal price setting behaviour.

After these conceptual explorations, the insights are taken together by coming back to the main question as to the explanation of nominal price rigidities in a monetary economy. The existence of both uncertainty and historical time in a monetary economy brings forth co-ordination problems with regard to the exchange process and price setting decisions. It is argued that these problems are solved in two complementary ways, namely top-down and bottom-up. Most literature on price level stability only studies top-down co-ordination, by institutions such as a central bank or a government. However, this form of regulation is insufficient and very costly if it is to achieve price level stability on its own. Fortunately, the decentralised actions by which agents deal with the uncertainty they face contribute to co-ordination and may have the unintentionally beneficial effect of contributing to stability as well. The role of trust becomes visible once pricing conventions such as 'fair' prices are taken into consideration. Bottom-up co-ordination makes the economy more stable than standard economic models predict. This effect of unpredicted stability is possible because money fulfils a specific role as a carrier of information, which supports norms for behaviour. The Keynesian vision of the entrepreneur economy is thus underpinned by adding the analysis of the conventions and institutions that play a stabilising role in it.

The term stability refers to equilibria, which are a feature of closed systems. As open systems are studied in the natural sciences, the possibility of using some of the concepts used therein for analysing the monetary economy is explored. Theory in science used to consider systems in nature as subject to the entropy law, which creates a homogeneous, chaotic state. Later, the theory of dissipate structures provided the insight that a barrier to entropy exists. Once an open system has reached a threshold level of entropy, it starts to self-organise by creating patterns of behaviour and interaction. Analogously to chemical processes, which are in fact a series of interactions between molecules, an economy can be modelled as a self-organising system of interacting agents. Moreover, it is argued that an open system can only

self-organise thanks to historical time and uncertainty. This view is radically different from the neo-classical view, in which an economy can at best be stable in spite of these two characteristics. The dissipate structures in chemistry are characterised by a high degree of order inside the structure, that is, they locally reduce the degree of entropy. The same can be said about conventions and institutions. These rules for behaviour structure the way agents interact so that the economy finds itself in a state of order. Stability can then occur in a higher level sense, that is, the economy is robust to shocks. In restructuring the economy after shocks have disrupted old structures, the evolution of new conventions and institutions plays a major role. The book concludes by stating that it is the very fundamental uncertainty and historical time that enable the unstable, open system to self-organise by means of conventions and institutions, of which the use of money and nominal price rigidity are two examples.

2. Ferrie Pot

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The thesis starts from the observation that the employment relationship is not uniformly organised across the western capitalistic world. Historically, alternative models of employment relations have developed across culturally diverse nation states. For example, one can distinguish between an Anglo-Saxon, a Rhineland and a Japanese model of labour relations. Underlying the issues addressed in the book is the question how important these differences are and will continue to be. For, the last decade has witnessed an increasingly political, cultural and economic interdependence among nation states, a development, which is captured by the notion of globalisation. The main variable that opposes the trend towards global uniformity in the organisation of labour relations is that of national culture. Accordingly, the research question of the book is formulated as follows: "In the context of various global trends, how does national culture affect the way in which the employment relationship is organised and changed".

After a thorough examination of the study's main concepts, i.e. 'the employment relationship', globalisation' and 'national culture', the thesis answers the research question by reference to recent developments in the realm of employment relations in the Netherlands and the United States. Based on a careful selection of case study sites, the book identifies the major impact of national culture on corporate change processes of personnel management. It is revealed that global trends play a key role as triggers of change in the employment relationship. However, it appears from the study that culture is important in understanding the effects of global trends. For culture plays a role in shaping the process whereby these global trends are institutionalised. Accordingly, the thesis concludes that actors' responses to the global challenges vary in line with their cultural values. As such, the thesis challenges the widespread belief that global trends will lead to the homogenisation of the employment relationship.

3. David Dequech: RATIONALITY AND INSTITUTIONS UNDER UNCERTAINTY

University of Cambridge - 1998

This dissertation is a study of the theory of economic behaviour and some of its macroeconomic implications. More specifically, it is concerned with rationality and institutions under uncertainty.

The dissertation is part of two recent developments in economics. First, since the mid-eighties, the literature on Keynes has emphasised the connections between his earlier theory of probability and his mature economic work, and has highlighted the role of conventions in Keynes's *General Theory* and related writings. Second, there has been a revival in our profession's interest in institutions. This dissertation lies in the region where these two lines of research meet, including, in addition, an interest in Schumpeter's dynamic view of capitalism.

The dissertation begins by distinguishing between different conceptions of uncertainty and defending a notion of fundamental uncertainty. It then analyses the influence of institutions on economic behaviour. The next step is to develop the notion of state of expectations. The roles of knowledge, animal spirits and creativity are clarified. This is followed by an elaboration of the concept of rationality under uncertainty, particularly regarding knowledge, means and ends, and maximisation. In the light of the discussion of the state of expectations and rationality, liquidity preference is then examined. The relation between liquidity preference, confidence and animal spirits is studied in particular.

This completes the construction of a framework with which to examine several issues in economics. Three are highlighted in the last part of the dissertation. The first is the relation between convention and rationality. A general approach to this relation is proposed one in which there may be compatibility between rationality and convention even when behaviour is unconventional. The second issue, which leads to a more traditionally macroeconomic territory, is the role of uncertainty and conventions in a theory of short-term expectations. Finally, wage and price flexibility as the solution to unemployment is discussed. The existing arguments against this solution are expanded and reinforced, and new ones are introduced.

Book Reviews

1. 1. Esther-Mirjam Sent

The Evolving Rationality of Rational Expectations: Cambridge, Cambridge University Press, 1998.

Reviewed by Albert Jolink, Erasmus University Rotterdam

Esther-Mirjam Sent's assessment of the work of Thomas Sargent will prove to be an exemplar case of the recently emerging field of institutional history of economics. In her award-winning book, she presents a careful analysis of the evolution of rational expectations in economics from the late 1960s to the early 1990s. The book includes an interview with Sargent, bringing the questions raised by the book to the subject of the book.

The book offers more than a simple history of rational expectations: in the first chapter Sent illustrates that there are, in fact, many stories to be told. The subsequent chapters describe and explain that these stories are based on a sequence of developments that may be interpreted as 'accommodations' to specific circumstances. Sent analyses these accommodations in terms of free moves, forced moves, resistances and the dialectic of resistance and accommodation. By taking accommodation in these terms Sent explicitly brings in reflections on the prevailing institutional structures and ideologies. This makes the book different from other works in the history of economic thought.

The first issue of accommodation follows from the tension between randomness and determinism (chapter 2). Sent argues that Sargent ties time-series econometrics to the determinism of neo-classical economic theory through rational expectations, hence 'taming randomness'.

The second issue of accommodation relates to prediction (chapter 3). Sent sketches the opposition to rational expectations and their predictive capabilities. Sent argues that that rational expectations were instrumental in strengthening prediction and having to rely too much on theory.

The third issue of accommodation follows from Sargent's refocusing in the early 1980s on general equilibrium theory, vector autoregression and rational expectations. Sent argues that the problems of (a)symmetry, among the economist and the economic actor, led to an accommodation, by adopting adaptive expectations and artificial intelligence.

In chapter 5, Sent detects a final issue of accommodation in Sargent's work. For the period from the late 1980s to the early 1990s, Sent illustrates how the analysis of the role of learning when expectations are rational leads to efforts to incorporate learning in the context of adaptive expectations.

The book concludes with an interview with Sargent (chapter 6), conclusions (chapter 7) and an extensive body of notes and references.

The Evolving Rationality of Rational Expectations does exactly what the subtitle announces: an Assessment of Thomas Sargent's Achievements. The book is impressively sharp in its analysis and clarifies most of the obscurities economists and non-economists may have with rational expectations. The main contribution of the book, however, lies in de-mystifying the evolution of rational expectations itself and, hence, explaining the multitude of 'stories' around.

Despite the praise the book deserves, two critical comments must be made. First, Sent has chosen to adopt a framework in which interests, free moves, forced moves, resistances and accommodations are spelled out. The arguments in favour of this framework are compelling but the practice of the application of the framework seems, at times, artificial and draws heavily on the goodwill of the reader. This practice is partly based on the presumption that "as an agent not involved in the process, I [Sent] can follow Sargent through real-time practice" (p.19-20). This rather bold presumption leads to insights such as "when Sargent tried to meet his interests with the combined free moves toward vector autoregressions ..., he resisted incorporating learning." (p.129)

Second, the whole analysis is geared toward painting the grand picture of Sargent's journey in rational expectations-land. Although the grand picture is overwhelming and convincing, Sargent's reply to Sent's question (*So what is your grand picture?)* brings the whole book down to earth with a bump: "I don't spend a lot of time thinking about that."

All in all, *The Evolving Rationality of Rational Expectations* is a great read, well written, intellectually substantive as well as entertaining. After reading the book I fully agree with Sent that the analysis of this book invites similar analyses of other authors. One can only hope that Sent will write those books as well.

The Evolving Rationality of Rational Expectations is a worthy winner of the EAEPE Myrdal Prize 1999.

2. Sasan Fayazmanesh and Marc R. Tool (editors)

Institutionalist Method and Value: Essays in honour of Paul Dale Bush: Volume 1, Cheltenham, Edward Elgar, 1998.

Reviewed by Stephen P. Dunn, University of Leeds, England.

Institutionalist Method and Value is the first volume of a two-volume set dedicated to Institutionalist scholar Paul Dale Bush. Several distinguished scholars contribute to Bush's Festschrift which underscores the importance, influence and contribution that he has had upon those working in the Institutionalist tradition. Moreover the quality of these essays, which deal with a variety of methodological issues, serves to underline the admiration and affection that is reserved for Bush.

The volume begins with an appraisal of Bush's contribution to academic freedom and institutional economics by Phillip O'Hara and Marc Tool. The essay serves as a guide to Bush's wide and varied career and highlights the interaction 'between thought and expression' of many of the tenets of American Institutionalism. Bush has clearly practised what he has preached.

In chapter two Erkki Kilpinen reconsiders the link and influence of the American pragmatists, Pierce, James, Dewey and Mead upon Thorstein Veblen. Kilpinen rehearses the well-known criticisms of orthodox, mechanistic, modes of theorising that they effectively empty the concepts of choice, habit and rationality of all their substantive content.

Geoff Hodgson, as ever, provides a scholarly exposition of the intellectual influence of Veblen upon Clarence Ayres. Hodgson's essay is refreshing in that it is far from the intellectual fawning that generally typifies such volumes. While acknowledging his intellectual debt to Bush, Hodgson proceeds by challenging the conventional wisdom that the Ayresian wing of the contemporary American Institutionalism are the rightful heirs of the Veblenian mantle. Hodgson makes some important criticisms and clarifications of the latter day Ayresians and their descent into dualism, but in a manner reminiscent of Bush's commitment to academic discourse, makes a good case for its further development.

Fayazmanesh, in chapter four, re-examines Veblen's introduction of the term 'neo-classical' into the economics literature. Fayazmanesh highlights the broad and ambiguous nature of Veblen's introduction of the term that stems from an inadequate treatment of classical economics.

Kurt Dopfer in the proceeding chapter highlights the 'paradigmatic significance' of the contributions of Gustav Schmoller and Walter Eucken to the development of a historically embedded institutional economics. Dopfer (p. 98) makes a strong case that "there is much to learn from both authors when rethinking the ontological foundations of institutional economics along 'historical lines'" and has convinced this Post Keynesian to explore such less fashionable traditions.

In chapter six Warren Samuels presents a highly interpretative assessment of different intellectual attempts, from Plato and Aristotle to the neo-institutionalists, to construct systems of valuation that have been developed to inform decision-making. My only criticism of this engaging essay is the rather selective choice of the different approaches, which is far from comprehensive - a criticism that to some degree acknowledged.

In the next Chapter Edythe Miller argues strongly that critical realism offers a way of disentangling Marc Tools social valuation principle from charges of essentialism and foundationalism.

In the final chapter Ann Jennings and William Waller, building on earlier work, present a good exposition of how social institutions impinge upon social valuations and how more orthodox discussions of value, which tend to revolve around price, are restrictive and one dimensional. They outline a good case for further studies of the actual valuation process - see below!

All in all, Fayazmanesh and Tool have done Dale Bush a great honour and assembled a fine collection of essays that should be of interest to those working in or around the insitutionalist tradition. My main criticisms are that it would have been helpful to provide a full list of Bush's academic output for those enthused by the wide and varied range of his scholarcism and that the book is far too short and, perhaps, should have been combined with the second volume. This would have ensured that such contributions would have reached a broad audience - £49.95 (approximately 85□) is surely too high a price for only eight essays. Maybe this social valuation deserves further study!

EAEPE Scientific Development Plan

The Scientific Development Plan Officer is Klaus Nielsen, Department of Social Sciences, Roskilde University, Post-box 260, 4000 Roskilde, Denmark. Tel: (45) 46 75 77 11. Fax: (45) 46 75 66 18. Email: knielsen@ruc.dk. The designated priority Research Areas for EAEPE are now as follows:

Research Area A: Economics: Its Institutions, History and Methodology
Co-ordinators: Andrea Salanti (University of Bergamo, Italy) and Uskali Maki(Erasmus University, Rotterdam, The Netherlands)

Research Area B: Complex Socio-Economic Systems
Co-ordinator: Jean-Louis Le Moigne (Universite d'Aix-Marseille III, France)

Research Area C: Institutional Change
Co-ordinator: Sebastiano Fadda (University of Rome III, Italy)

Research Area D: Innovation and Technological Change
Co-ordinator: Pier Paolo Saviotti (Universite Pierre Mendes-France, France)

Research Area E: Theory of the Firm
Co-ordinator: vacant

Research Area F: Environment-Economy Interactions
Co-ordinators: Alessandro Vercelli and Maurizio Franzini (University of Siena, Italy)

Research Area G: Macroeconomic Regulation and Institutions
Co-ordinator: Maurice Basl— (Universite de Rennes I, France)

Research Area I: Structural and Institutional Change in Eastern Europe
Co-ordinator: Irena Peaucelle (CEPREMAP, Paris, France)

Research Area J: Monetary Economics, Finance and Financial Institutions
Co-ordinator: vacant

Research Area K: Gender and Economics
Co-ordinators: Francesca Bettio (University of Siena, Italy) and Janneke Platenga (University of Utrecht, The Netherlands)

Research Area L: Experimental Evolutionary Economics
Co-ordinators: Massimo Egidi and Luigi Marengo (University of Trento, Italy)

Research Area M: Cultural Economics
Co-ordinators: Wilfred Dolfsma and Arjo Klamer (Erasmus University, Rotterdam, the Netherlands)

Research Area N: Need, Value and Pricing
Co-ordinator: Alan Freeman (University of Greenwich, United Kingdom)

Research Area O: Economy, Society and Territory
Co-ordinator: Frank Moulaert (University of Lille, France)

Research Area P: Economic History
Co-ordinator: Ioanna Minoglou (University of Athens, Greece)

Research Area Q: Computational Evolutionary Economics
Co-ordinator: Lionello F. Punzo (University of Siena, Italy)

Research Area S: Theory of Production
Co-ordinators: Neri Salvadori (University of Pisa, Italy) and Heinz Kurz (University of Graz, Austria)

Research Area T: Institutional History of Economics
Co-ordinator: Esther Mirjam-Sent (University of Notre Dame, USA)

The Council appoints research Area Co-ordinators (RACs). 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.
(5) contribute to the EAEPE Newsletter and the EAEPE website with information and other material relating to the area.

EAEPE Scientific Development Plan Report 1999/2000

According to the guidelines for Research Area Co-ordinators (RACs) the following activities are considered particularly valuable:

(1) the promotion and development of research material for EAEPE conferences

(2) the organisation of international workshops and seminars

(3) the development of international networks

(4) application for EC or other grants

(5) the development of EAEPE sponsored publications

(6) contributions to the EAEPE Newsletter and the EAEPE website.

I shall briefly summarise and evaluate activities of the past year and plans for the coming year in relation to these guidelines. The summary is based on the annual reports of the RACs. (No information is available concerning Research Areas J and L).

Re (1): The number of absentees in Prague was rather high (13 of 25 RACs did not participate). However, in some cases, substitutes were sent and, in general, the RACs are quite active in relation to organising sessions at conferences. In Prague, nine of the RACs organised sessions with papers. In addition, there were informal sessions in ten of the nineteen research areas.

Re (2): Some RACs have organised international workshops (Saviotti, Peaucelle, Dolfsma and Sent) or have plans for organising such workshops or seminars (Mäki, LeMoigne, Fadda, Franzini & Vercelli, Freeman – and, again Saviotti, Peaucelle, Dolfsma and Sent). In some cases this takes place in the context of a programme (Dolfsma, Sent) or a summer school (Franzini & Vercelli).

Re (3): Several RACs have organised networks for circulation of information, etc., within the research area group (Le Moigne, Saviotti, Peaucelle, Bettio & Platenga, Dolfsma, Freeman, Minoglou, Moulaert and Sent). In most cases, the EAEPE Research Area is also linked to other networks and groups within their respective areas. Networks are being created or planned within other areas as well (Mäki & Salanti and Fadda),

Re (4): At present, it seems that only one RAC (Peaucelle) has applied or plans to apply for EC research grants. However, this does not seem to prevent a high level of activity concerning publications and international workshops and seminars.

Re (5): This is perhaps the most demanding and ambitious form of activity. It is encouraging that several RACs have either produced edited volumes during the past year (Saviotti, Peaucelle) or have plans to organise such volumes or special issues of journals during the next year (Moulaert, Foss & Kay, Dolfsma – and, again, Saviotti and Peaucelle). The actual or planned publications are primarily based on EAEPE conference papers within the research areas from various conferences – in addition to the volumes based on each annual conference.

Re (6): Some RACs have used the Newsletter to inform about activities and ideas, to stimulate research cooperation or to announce plans, etc. This has worked well in some cases and is particularly important in cases of new Research Areas and/or new RACs. However, more such contributions to the Newsletter would be preferable, and also a more active role of RACs in the future in relation to organisation of Newsletter review sections or other reports or evaluations on publications relevant to their respective areas are much welcome. There are plans to use the EAEPE website more actively in the future, for instance, to organise a Research Area discussion group (Fadda). However, this is also a field where a higher level of activity would be welcome.

Most of the activities are self-moving. Others require a little push from the Newsletter Editor, the Conference Organiser, the Scientific Development Plan Officer, or somebody else. The visibility of the activities to the membership is perhaps too little but the activity level is generally rather high – especially if most plans for future activities materialise.

However, there are big differences in activity levels. Some old RACs are still going strong (in particular, Saviotti and Peaucelle) and some of the new RACs (Faddo, Bettio & Platenga and Sent) have got or are heading for a strong start. Other RACs seem to have been rather inactive this year. In some cases, this is due to particular circumstances this year and activities can be expected to be resumed next year.

The EAEPE Council has withdrawn the system of awarding small grants to RACs on the basis of an evaluation of their reports on activities during the past year. Instead, EAEPE may award small contributions towards expenses in relation to future Research Area activities. The following aspects are stressed in its decisions whether to support and which plans to choose: academic quality, relevance in relation to EAEPE priorities, and marginal impact of the support. In addition, it is also a precondition for support for future activities that the Council

evaluates the activities of the preceding year as satisfactory. This year, the EAEPE Council decided to award a grant of 1000 guilders to Research Area T ("Institutional History of Economics") in support of an international conference: "The Economics of Scientific Publication", to be organised in Rotterdam, 19 April, 2000. The Council would have liked to award more grants and a larger amount was available but only one application was received. Of course, this questions the validity of the whole scheme of support. However, this was the first year of awarding such grants and it may be a question of getting started.

Klaus Nielsen: EAEPE Scientific Development Plan

1. Sebastiano Fadda

Research Area C: "Institutional Change"

The field of research that falls within this theme may be broadly defined as that of the relationship between economic evolution and institutional change.
The process of economic change in central European countries in transition and the process of economic development in most developing countries have patently revealed the importance of a correct understanding of this link both for analytical purposes and for operative policy making. Failure to understand properly this link is bound to create (as shown by much empirical evidence) waste of resources and un-effectiveness or counter-effectiveness of policy measures. But even the working of advanced and industrialised economies is strongly influenced by the structure of economic institutions. In fact, as Coase puts it, "the choice in economic policy is a choice of institutions. And what matters is the effect that a modification in these institutions will actually make in the real world".

The field is very broad, both for theoretical and for applied research, and looks like a combination of an institutional theory of economic change with an economic theory of institutional change. Here are some points, which surely need further investigation:

- The definition of quantitative indicators of institutional structures. Without this definition it's possible neither to measure any correlation between economic institutions and economic performance, nor to give precise accounts of differences in institutions over time and over different countries.

- The use of these indicators in order to make meaningful comparisons between institutional structures through empirical research and to devise a monitoring system of institutional evolution.

- The dynamics of institutional change, to be investigated taking account of several approaches, such as evolutionary theory and social conflict; the contribution of game theory, "mechanism" theory, and so on;

- The interaction between informal behavioural patterns and formal institutions and organisations. A deep understanding of this interaction is necessary not only in order to understand how the institutional system holds together, but also in order to build up effective policies for institutional change.
- The elaboration of a system for evaluating structure and effects of policies for institutional change, wherever they are practised.

People who are doing, or willing to do, research in these, or related, fields are asked to consider collaborating in an international research network which began to take shape at the last Prague conference. People willing to collaborate should get in touch with the research area co-ordinator giving information about:
- The state of their research activity;
- The possibility of creating a link between researchers working on similar themes in their country;
- Their willingness to contribute to an international workshop by the middle of next year;
- Their willingness to take part in an European research network along a research project to be submitted to the European Community;
- Their ideas and proposals about the working of this research area.

At the moment, the main possible lines of activity of this area seem to be the following:

- Circulation of papers, contributions and suggestions among the members of the area by means of e-mail or discussion groups and web pages;
- seminars, workshops and conferences to be organised locally and internationally;
- Publication of proceedings of seminars or contributed papers;
- Setting up of research groups in different countries (wherever it's possible) particularly committed to a permanent analysis (on empirical or theoretical grounds) of a specific aspect of the problem of institutional change;
- Setting up of an international research network which can be the basis for an European research project and an European system for monitoring the

evolution of the relationship between "institutional change and economic change".
- After gathering a first round of answers and opinions, the co-ordinator will get in touch with the people involved, giving an account of the situation and activating the lines of collaboration.

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2. Esther-Mirjam Sent

Research Area T: Institutional History of Economics

The Institutional History of Economics Research Area starts from the following perspective:

Whereas evolutionary political economy offers an alternative approach to the examination of economic agents, institutional history of economics supplies a different perspective on the evaluation of economists. Moreover, it employs the concept of "institutions" to capture the linkages, networks, and processes in which these economists operate. Whereas evolutionary political economy provides an alternative to neo-classical economic theory, therefore, institutional history of economics furnishes an alternative to orthodox history of economics.

During its first year of existence the Research Area engaged in the following activities:

On 21 April 1999, it organised a one-day international EAEPE workshop on "Economists at War: The Influence of the Practice of World War II and the Cold War on the Culture of Economics", information on which can be found at: http://www.eur.nl/fw/philecon/warkshop.html.

During the 1999 EAEPE conference in Prague, it organized two successful sessions with contributions from Javier Izquierdo, Matthias Klaes, Edith Kuiper, Irene van Staveren, Albert Jolink, Evert Schoorl, Henk Plasmeijer, and Frederick Lee.

During the upcoming year, the Research Area will engage in the following activities:

On 19 April 2000, it organises a one-day international EAEPE workshop on "The Economics of Scientific Publication," information on which can be found at http://www.eur.nl/fw/philecon/econpub.html.
Publish or perish. The imperative appears to be as valid as ever. The number of publications is a critical criterion for academic reputation and accreditation. As a consequence an entire industry has developed that has as its business the solicitation, screening, selecting, publication, distribution and reviewing scientific work. Key players in this industry are, apart from scholars, academic institutions, publishers (for profit and non-profit), libraries and the media.
A few developments of this industry stand out at first sight. One of these is the emergence of the scientific journals of scientific publications during the second half of the nineteenth century. Relatively short papers crowded out pamphlets and, to a lesser extent, books as the main outlets of academic research. Fellow academics became the gatekeepers as their reviews determined whether a paper was suitable for publication or not.

During the 1970s and 1980s the number of journals increased sharply and so did the number of papers published. Getting attention became the name of the game. Never were so many papers published and so few cited. Although number of papers published remained the main criterion for academic reputation and accreditation, being published was no guarantee anymore of being noticed.

Currently, the development of digital technology raises questions on the future of publication industry. How will the key players adjust to the new circumstances? Will libraries expand their role at the expense of publishers? Will there continue to be a major role for commercial publishers like Elsevier and Kluwer? How will scientific practices be affected?

We, therefore, have the impression that science is going through a phase of reorganisation and retrenchment. We are witnessing the transition to a new regime, characterised by an expanded scale of scientific activities as a result of sophistication and collectivisation, the rise of customer-contractor relationships, changing professional roles and career paths that blur the distinction between academia and the 'outside' world, shifting boundaries between pure and applied science and between science and technology, and so on. In addition, science is experiencing the effects of general cultural, political, and economic changes. For instance, the political and ideological role of science is eroding, there is a strong desire to justify the large sums of public money that pour into modern science, the relationship among business,

the military, the government, and the university is undergoing intense re-evaluation, etc. It is against this backdrop that we want to explore past and recent developments in the industry of scientific publications. Maintenance of the closed corporate character will require new gate-keeping institutions in a world of digital publication. Then again, the scientific world may be forced, or be interested in opening up more. In that case, academic institutions will have to change, too.

The goal of this workshop is to evaluate the past of scientific publications and assess the future. The workshop will draw academics (mainly from the field of economics), librarians and publishers to the table. The papers will be conceptual as well as empirical. There is, after all, a great deal to find out about the world of scientific publication.

During the 2000 EAEPE conference in Berlin, in consultation with the program organiser we plan to organise two sessions. It invites paper proposals that contribute to one of its following seven theoretical perspectives:

(1) The approach to analysis is based on an evaluation of relevant tendencies and linkages in actual economics - instead of a methodology that sanctifies fictions and diverts attention from the difficult task of analysing the practice and culture of economics.

(2) The analysis is open-ended and interdisciplinary in that it draws upon relevant material in psychology, anthropology, politics, and history - instead of a definition of history of economics in terms of a rigid method that is applied indiscriminately to a wide variety of economic approaches.

(3) The conception of economics is of a cumulative and evolutionary process unfolding in historical time in which economists are faced with chronic information problems and radical uncertainty about the future - instead of approaches to theorising that focus exclusively on the product of this process.

(4) The concern is to address and encompass the interactive, social process through which economics is formed and changed - instead of a theoretical framework that takes economists and their interests as given.

(5) It is appropriate to regard economics itself as a social institution, necessarily supported by a network of other social institutions - instead of an orientation that takes economics itself as an ideal or natural order and as a mere aggregation of individual economists.

(6) It is evaluated how the socio-economic system is embedded in a complex ecological and environmental system - instead of a widespread tendency to ignore ecological and environmental considerations or consequences in the history of economics.

(7) The inquiry seeks to contribute not only to history of economics but also to economics - instead of an orthodox outlook that ignores the possibility of such cross-fertilisation.
Preference will be given to original accounts, based on detailed archival or other research, aimed at yielding rich, sophisticated, understandings. Hence, papers that "do it" instead of those that "talk about doing it" are favoured.
To participate, please submit a proposal containing 400-600 words and indicating clearly the sense in which the paper contributes to one of the theoretical perspectives of the research area.

The deadline for the submission of paper proposals is 31 MARCH 2000. Notice of acceptance or rejection will be sent on or before 30 APRIL 2000. Completed papers are due on 31 AUGUST 2000.

All proposals and requests for information should be sent to:
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Selected Publications of EAEPE Members

DEQUECH, D. (1999a), 'Expectations and confidence under uncertainty', Journal of Post Keynesian Economics, 21(3): 415-30, Spring.

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Wilfred Dolfsma "Consumers as Subcontractors on Electronic Markets," First Monday – Peer Reviewed Journal on the Internet 4(3) March 1999; www.firstmonday.dk

Wilfred Dolfsma "Institutionele Economie in Aanbouw – Thorstein Veblen en zijn Tijdgenoten [Institutional Economics under Construction – Thorstein Veblen and his Contemporaries]," Vlaams Marxistisch Tijdschrift 33(1).

Wilfred Dolfsma "The Consumption of Music and the Expression of VALUES" American Journal of Economics and Sociology 58, October 1999, forthcoming.

Wilfred Dolfsma "Valuing Pop Music – Institutions, VALUES, and Economics" Delft: Eburon, 1999

Wilfred Dolfsma (with Kees Jonkheer) "Belasting zonder grenzen [Taxes without borders]" Economisch Statistische Berichten, 1999, 84(4191).

Wilfred Dolfsma "Dutch Radio: Valuing pop music through institutional changes" in: Tôru Mitsui (ed.) Popular Music: Intercultural Interpretations. Kanazawa, Japan: Kanazawa University, 1998.

Wilfred Dolfsma "Gifts" in: Encyclopedia of Political Economy. Ed. Phillip O'Hara et al. London & New York: Routledge, 1999, Vol. I.

Wilfred Dolfsma "Internetmarkten: Voordeel voor Klant of Bedrijf? [Internet Markets: Will Customer or Firm Benefit?]" I & I: Informatie en Informatiebeleid 17(2), summer 1999 [in Dutch].

Programmes

UNIVERSITY OF HERTFORDSHIRE, MA/Pg.Dip INSTITUTIONAL ECONOMICS

The new MA in Institutional Economics at the University of Hertfordshire is probably the only MA in Institutional Economics in Europe.

It will cover modern developments in evolutionary economics as well as the new and the old institutionalism. These ideas will be applied to economic problems in the less developed countries, and to the economic transformation in Eastern Europe. In addition, a solid grounding will be given in the basic theory and methodology that is required to understand and apply institutional economics.

The course will be taught by a team led by Professor Geoff Hodgson, who is internationally known for his work on Institutional Economics. Invited guest lecturers will include Dr Tony Lawson (University of Cambridge) and other specialists in the field. Occasional workshops and seminars will also be held with invited guest speakers.

The program may be taken full time over one year, or part time over two to five years. Most of the taught element of the course will take place in the early evenings, Monday to Fridays. Library and computing facilities are available to all students during the day, with opening hours extending into the evenings and weekends.

Enrolment for the course normally takes place in the last week of September.

For further information contact:
Dr Stephanie Barrientos
Scheme Tutor MA Institutional Economics
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Interdisciplinary Doctoral Program in Economics

The University of Missouri-Kansas City offers Graduate degrees in the Department of Economics: Master's degree in Economics, Master's degree with an urban option in Economics, and the interdisciplinary doctoral degree in Economics. In the interdisciplinary doctoral program, the student majors in a core discipline and minors in one or more codisciplines.

More information can be obtained from Roberta Mandl, Graduate Faculties and Research, (1) 816 235 1301 or Department of Economics, UMKC, 205 Haag Hall, 5100 Rockhill Road, Kansas City, Missouri, 64110-2499, USA.

PhD Programme in Economics and Policy Studies of Technical Change

MERIT at University of Maastricht and UNU/INTECH, established by the Council of the United Nations, together offer a PhD Programme in Economics and Policy Studies of Technical Change. The programme is designed for students who are interested in exploring the theoretical, institutional, and policy issues underlying technological change and in studying the role of technical change in fostering economic growth and development in both industrialised and developing countries.

Courses focus on 'Macroeconomic and Political Economy Analysis', 'The Historical and Empirical Foundations of Technology', 'Microeconomic and Organisational Analysis, and 'Technology and Industrial Policy'.

More information can be obtained at MERIT - UNU/INTECH PhD Programme, PO Box 616, 6200 MD, Maastricht, The Netherlands. Or check the institute's homepages at: hhtp:\\meritbbs.unimaas.nl or at hhtp:\\www.intech.unu.edu

PhD Programme in Philosophy and Economics

Erasmus University launched a PhD Programme in Philosophy and Economics in 1997. Thanks to recent appointments, Erasmus University has created a unique centre devoted to the combined study of philosophy and economics. The Ph.D. programme exploits the expertise of specialists such as Uskali Mäki, Arjo Klamer, Maarten Janssen, Jack Vromen, John Groenewegen and Albert Jolink at the Erasmus Institute of Philosophy and Economics.

The PhD programme consists of one year advanced course work and two years of research within the broad framework of the Erasmus Institute Research Programme 'Institutions'. The advanced courses will go into topical issues in the philosophy of economics, microeconomics and game theory, evolutionary and new institutional economics, history of economic thought, and the rhetoric and culture of economics. The Research Programme is organised under four headings: 'Economics of Institutions', 'Institutions of Economics', 'Economics in Philosophy' and 'Philosophy in Economics'. A detailed description of the research programme is available upon request.

The PhD programme is open to all candidates who have a completed Master's degree in economics, in philosophy, or in the philosophy of economics, and who have a strong interest in subjects falling within any or all of the themes of the Research Programme. (Those who are within 3 months of completion of their Master's may also apply.) The tuition for the first year is fl.10,000. After the first year, students can apply for a fellowship of approximately fl.24,000 per year for the second and third year.

For information and application forms please contact:

Erasmus Institute of Philosophy and Economics, attn Dr Albert Jolink, Faculty of Philosophy, Erasmus University Rotterdam, Postbus 1738, 3000 DR Rotterdam, The Netherlands' fax.: (31) 10 408 8979, jolink@fwb.eur.nl

Conferences

The 3rd biennial ESEE conference: Transitions towards sustainable Europe: Ecology - Economy – Policy, 4-6. May 2000

Panel Topics:
Risk and Uncertainty in Sustainable Development, Political Ecology, Socio-Economic, Evolutionary and Institutional Approaches, The Challenge of Transition - New Ideas for Sustainable Solutions in Eastern Europe, Social Dimensions of Sustainability, Ecological Economics - in Search for Contributions from Austrian Thinkers, Regional Sustainable Development, New Approaches to Environmental Management - Institutions and Practice, Ecological Economics of Material and Energy Flows, Social- and Technological Environment-oriented Innovation, The Consumers Part in Industrial Transformation

Location: Vienna University of Economics and Business Administration /Wirtschaftsuniversität Wien
Website: http://www.wu-wien.ac.at/esee2000, Uwe Schubert and Klaus Kubeczko Email: esee2000@wu-wien.ac.at

INTERNATIONAL JOSEPH A. SCHUMPETER SOCIETY
8th ISS Conference Manchester/UK, June 28-July 1, 2000
Call for Papers
Change, Development and Transformation:
Transdisciplinary Perspectives on the Innovation Process

The broad theme of this conference is the exploration of economic and social dynamics in relation to processes of innovation. This theme is very firmly located in the Schumpeterian tradition in which an economic perspective is grounded in a wider awareness of the contributing roles of other disciplines. Since Schumpeter wrote his path-breaking Theory of Economic Development, the degree of specialisation in the social sciences has increased many fold, new disciplines have emerged for the study of management and business, while, at the same time, the connecting links between these different disciplinary perspectives grow increasingly fewer. Certainly these trends do not facilitate the study of innovation nor do they help us provide wider conceptual understandings of an essential feature of capitalism; namely, its propensity to change, develop and transform itself from within.

The conference programme will include contributions from scholars in a range of disciplines including economics, sociology, geography, economic and social history, history of science and technology, management and business studies, and others as appropriate. It will also encourage contributions which cover the Conference themes from the point of view of developing economies as well as advanced economies. Finally, it will include contributions which cover the science technology and innovation policy aspects of the Conference themes.

Among the planned conference themes will be the *Economic sociology of innovation processes * Institutions and innovation processes * Innovation and economic development * The economic history of change, transformation and development * Economic geography of innovation processes * The management of innovation processes * Policies for innovation * Modelling of change processes. This list is indicative not exhaustive.

The scientific committee of the congress would like to encourage you to submit papers devoted to theoretical, empirical and historical aspects as well as policy analysis.

Abstracts of at least half a page and max. two pages should be submitted before January 31, 2000 to either address:

Prof. J. S. Metcalfe, The University of Manchester, ESRC Centre for Research on Innovation and Competition, Tom Lupton Suite, Oxford Road, UK-Manchester M13 9QH Tel: +44 161 275-7365/8, Fax: - 275-7361, e-mail: stan.metcalfe@man.ac.uk or sharon.hammond@man.ac.uk

Prof. Horst Hanusch, University of Augsburg, Dept. of Economics, Universitaetsstr. 16, D-86135 Augsburg, Tel: +49 821 598-4179, Fax: - 598-4229, e-mail: horst.hanusch@wiso.uni-augsburg.de

Selection of papers will be based on abstracts. Decisions will be made on a rolling basis with all persons notified by the end of February. All acceptances will be contingent on the participant's completing conference and hotel registration by April 1, 2000. (Please include fax and e-mail addresses with abstracts.) Papers that are accepted will be made available on the Conference website, for the International Schumpeter Society and the ESRC Centre for Research on Innovation and Competition (CRIC).
Information on Registration will appear in the next ISS Newsletter. It will also be available on the CRIC website at http://les.man.ac.cric/ Application forms can also be obtained directly from Sharon Hammond, CRIC University of Manchester, Tom Lupton Suite, Manchester M13 9QH.

'The Long Run': Long-term Developments in the Arts and Cultural Industries, February 23-25, 2000 Rotterdam, The Netherlands.

The official language of the Conference is English.

The Department of Art and Culture Studies at Erasmus University in Rotterdam focuses on the sociological, economic and historical aspects of the arts and cultural industries. In February 2000, the Department celebrates its 10th Anniversary with an international conference. The Conference provides an open, interdisciplinary forum for research into the world of art and culture. The conference aims at charting long-term developments in the arts and cultural industries. Speculation about future developments is welcome, as long as it is grounded in empirical research or theoretical argument.

For further information, visit http://www.eur.nl/fhkw/thelongrun
or contact the Conference Secretariat:
Theresa Oostvogels
Dept. of Art and Culture Studies [Room L3-25]
Erasmus University of Rotterdam,
P.O. Box 1738
NL-3000 DR Rotterdam
The Netherlands
Tel + 31 10 4081020; Fax +31 10 4089135;
Email Oostvogels@fhk.eur.nl. http://www.eur.nl/fhkw/thelongr

Announcement of the 7th iiso-workshop
25/26 February 2000
Bremen, Germany

Economic Valuation in societal processes: Market – Power – Discourse

The panels will address four themes:

- processes in re-/devaluation of different kinds of societal work/activity
- knowledge as an object and means of valuation
- re-/devaluation of regional cultures: Market, Power, Force
- re-/devaluation of ecological economic processes.
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Institute for Institutional and Social Economics
Department of Economics
University of Bremen
PO Box 330 440
D-28334 Bremen
Germany
iihttp://www.wiwi.uni-bremen.de/institute/iiso

Aims and Scope of iiso

The Institute for Institutional and Social Economics (iiso), part of the Department of Economics at the University of Bremen, focuses on the development of new concepts of economic theory and economic policy. In doing so, particular emphasis is placed on the social and institutional embeddedness of economic action.

Present-day capitalist market economies force people, social organisations and public agencies to an ever greater extent to act within tight financial and institutional constraints. This has a considerable impact on people's living conditions not only in private sphere but also in social interactions. Under such circumstances, a certain economic rationality, i.e. a rationality involving an unconditional maximisation of egoistic interests, plays an ever greater role in society. However, the repercussions are increasingly damaging not only for the natural environment, but also for historically-evolved social relationships and institutions (i.e. social patterns of behaviour). Experience shows, however, that such relationships and institutions represent necessary regulatory structures, societal problem-solving tools and socio-economic stabilisers.

Those destructive tendencies oppose people's communicative and discursive reasonableness which enable him/her to shape society and the economy.

Against this background, modern approaches of institutional and evolutionary economics as well as social economics, ecological economics and feminist economics are the basis of economic analyses which take into consideration natural and social embeddedness, institutional conditioning, the effects of gender relationships, value bases as well as the evolutionary character of individual and collective economic action. By means of combining the current approaches of human resources economics and organisational economics, theories of interdependence and interaction of individuals as well as analyses of the non-profit sector, a theoretical concept has been developed which enables the economy to be understood as a realm of social action involving substantially more than simply markets (however they may be defined).

This approach does not consider people acting in isolation, but rather interactive relationships between them. It thus addresses the analysis of different lifestyles, institutional arrangements and socio-economic cultures influenced by spatial, temporal and social factors. In particular, the historical dimension of such approaches is expressed by the concepts of evolution and path dependence.

The research carried out at the institute, as well as the education provided, is aimed at strengthening corresponding attitudes and their practical application. In this way, a basis is created for a more self-determined, participative and embedded economic action. Against this background, the members of the institute are also actively involved in the field of consultancy including mediation, co-ordination and networking on regional as well as sectoral levels. The approaches of institutional and evolutionary economic theory and social economics are thus applied to practical cases embracing different forms of economic organisation and lifestyles, as well as regional and sectoral processes.

The Institute organises an annual workshop, which usually takes place on the last weekend in February. The results of this workshop appear annually in a conference reader

Q. What do you get if you cross a Mafioso with an economist? A. An offer you can't understand.

As well as news and other items, the *EAEPE Newsletter* includes reports of current and proposed research, short articles of interest to EAEPE members, and abstracts of finished PhDs. Please send material to Gráinne Collins, EAEPE Newsletter Editor, Gráinne Collins, Employment Research Centre, Trinity College Dublin, Ireland. Material should be submitted on a floppy disk (IBM or MAC and preferably in MS WORD) or sent by email (collinsg@tcd.ie) as an attached document. If using email, please state 'EAEPE' in the subject title. Contributions will not be refereed, but the editor reserves the right to decide what is to be accepted. Please contact me if you are willing to review a book by an EAEPE member - or if you wish a book to be reviewed. Members are encouraged to be active in contributing material! The deadline for the July 2000 issue is 1 May. *Gráinne Collins*