



# NEWSLETTER

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## Special points of interest:

- EAEPE 2002 conference in Aix-en-Provence, France
- Geoff's List # 3
- Call for papers

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## EAEPE 2002 Conference

### Complexity and the Economy: Implications for Economic Policy 7<sup>th</sup> – 10<sup>th</sup> November, Aix-en-Provence, France CALL FOR PAPERS

The next EAEPE conference will focus on one of the most challenging cutting edge topics in modern social science – the analysis of complexity and the economy, and its implications for economic policy.

Complexity is more and more acknowledged to be a key characteristic of the world we live in and of the way we perceive it, notably the socio-economic world. Although definitions of complexity vary widely and still constitute a terminological minefield, one may rely on the broadly shared notion that a system is complex when its properties cannot be satisfactorily explained by an understanding of its component parts. And a problem is complex when it cannot be solved analytically. A consequence in economics is that, although all economic problems are not necessarily complex, the description of the economy cannot be done satisfactorily through universal laws or theories deductively derived from sovereign, immutable first principles.

Shortcomings in reductionism as a general approach to science in general, and to social science in particular, are increasingly apparent. In a special section of *Science* on complex systems in a variety of sciences, entitled *Beyond Reductionism*, the editors notice that "The much - used axiom that scientists "know more and more about less and less" may have an element of truth" and that "perhaps there is something to be gained from supplementing the predominantly reductionist approach with

an integrative agenda" (*Science*, 284, 2 April 1999, p.79). In his viewpoint on *Complexity and the Economy* of this same journal, W. Brian Arthur portrays the economy as a system characterized by process and emergence in which components adapt to the world, that is, the aggregate pattern they co-create: as the elements react, the aggregate changes, as the aggregate changes, elements react anew. The emergence of structures and the unfolding of patterns result in viewing the economy as process dependent, organic and evolving rather than deterministic, mechanistic and predictable.

These views illustrate a recent burst of interest in complexity that is even sometimes pictured as "the" complexity perspective. It has been introduced recently into economics without paying attention to previous contributions in the history of economics on the themes tackled nowadays under the name of complexity. What is remarkable about complexity is the historical succession of eruptions of interest through holism and gestalt first, then through systems theory and cybernetics, and nowadays through computer simulation mainly. And it is fascinating how these outbursts coexist with an historically old interest for emergent economic order or self organisation, increasing returns, cumulative causation, institutions, and organic interdependence in political economy and economics. Evolutionary, institutionalist and behavioural economists should wel-

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(Continued from page 1)

come this recent burst. Taken together, these perspectives highlight open ended processes, institutions, and rich, non predetermined behavioural patterns.

In sum, among the many ways of dealing with complexity, complexity is a word connoting nowadays what may be simplified into two broad strands of research in economics, a computer-based complexity and an observation-based complexity, which differ in their tools but not in the central features they highlight, their method and their status in economic science. The difference in tools appears as follows. One strand is based mainly on computer simulation and on formal modelling in search of a substitute for the analytic limits of conventional mathematics. The Santa Fe Institute programme is representative of this perspective. The other one is based on observation, on empirical enquiry and on theorising from it, and is represented by the evolutionary, institutionalist and behavioural perspectives in political economy.

This basic difference in the tools coexists with three striking similarities. The first is in content. Both strands emphasize process, emergence, learning, novelty, institutions, organic interdependence, procedural or bounded rationality, history, path dependence, context, and interdisciplinarity, rather than equilibrium, optimization, universality and single, narrow disciplinarity. The second similarity is in method. Both strands rely mainly on induction, one on computer-based induction through simulation and the search of imitation, the other on observation-based induction. They are therefore facing a similar challenge about their robustness and about how they move from the particular to the more general. Their third similarity is in their status in economic science since they are both

critical of conventional, equilibrium-oriented, economics.

What may be new about the present activity in economics and political economy may thus not be the interest in particular features but the identification under the unified banner of complexity of two strands of research focussing on similar central features. One benefits from the unifying tool provided by the spectacular progress of computers and of simulation but is weak on theory. The other is rooted in observation but suffers from a lack of a unifying tool, as is illustrated by the recurrent problems of self identification experienced by evolutionary and institutionalist economists.

The 2002 Conference on Complexity and the Economy will thus provide a unique opportunity to discuss the insights, strengths and weaknesses of the complexity perspectives. Of special interest will be the focus on their implications for economic policy. What difference do the complexity perspectives make for economic policy compared with conventional views? This question pertains to both a general level and to sectoral, specific fields.

It must be emphasized that this focus will not preclude the strategy of welcoming other contributions pertaining to evolutionary, institutional and behavioural economics, especially contributions originating from work done within and around the domains covered by the EAEPE Research Areas.

The Conference venue will be Université d'Aix-Marseille, 3 Avenue Robert Schuman, 13628 Aix-en-Provence Cedex 1 - France. The Conference Programme Organiser is Robert Delorme and the Conference Local Organiser is Magali Orillard.

Robert Delorme

## Submission of Abstracts and Papers

Participants wishing to submit papers are invited to send a title with a 600-1000 word abstract by email (as an attach file) **and** by post (in hard copy) to Thierry RAYNA (Scientific Assistant) at [eaepe.aix2002@univ.u-3mrs.fr](mailto:eaepe.aix2002@univ.u-3mrs.fr) **and** EAEPE Conference, University of Aix-Marseille, GREQAM (rez-de-chaussée) Centre Forbin, 15-19 Allée C. Forbin, 13627 Aix-en-Provence, cedex 1, France, Tel. (+33) 442 96 14 96, Fax. (+33) 442 96 80 00. Priority will be given to abstracts submitted before 30 March 2002. Any questions regarding the programme can be addressed to Professor Robert DELORME (Programme Organiser) at [robert.delorme@cepremap.cnrs.fr](mailto:robert.delorme@cepremap.cnrs.fr).

If the paper can be fitted into the conference schedule then a final version will be requested by 31 August 2002. Both paper and abstract of paper (**pdf** or **html** format only) should be sent by email (as an attach file) to Thierry RAYNA at [eaepe.aix2002@univ.u-3mrs.fr](mailto:eaepe.aix2002@univ.u-3mrs.fr) **and** by post (in

hard copy) to Professor Magali ORILLARD (Local Organiser) University of Aix-Marseille, GREQAM (rez de chaussée) Centre Forbin, 15-19 Allée C. Forbin 13627, Aix-en-Provence, cedex 1, France, Tel. (+33) 442 96 14 96, Fax. (+33) 442 96 80 00, email [magali.orillard@univ.u-3mrs.fr](mailto:magali.orillard@univ.u-3mrs.fr).

Further information will be available at <http://eaepe.tuwien.ac.at> or <http://eaepe.org>.

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 2002 conference booking form or the 2002 EAEPE membership form, please download it from <http://eaepe.tuwien.ac.at> or <http://eaepe.org>.

## 2002 Young Scholar Award

The **Herbert Simon Young Scholar Prize** is awarded annually to the best conference paper by a young scholar and carries an amount of 1000 Euros, funded by EAEPE. The rules are:

- 1 No applicant shall have reached his or her 31<sup>st</sup> birthday in the year of the prize award.
- 2 Applicants must be fully paid-up EAEPE members by 1<sup>st</sup> September of the year of the competition.
- 3 All applicants must have the abstract of their paper accepted for the EAEPE Conference

and they must submit the electronic version of their paper by the advertised due date for inclusion on the EAEPE web site.

- 4 Applicants must inform the General Secretary of EAEPE by 15<sup>th</sup> October that they wish to enter their conference paper for the **Herbert Simon Young Scholars Award**. Their date of birth should be clearly stated.

Applicants must attend and present their paper at the EAEPE Conference for that year.

## 2003 Kapp and Myrdal Prize Competitions

Entries for the 2003 Kapp and Myrdal competitions are now welcome, with a closing date of 1<sup>st</sup> of January 2003:

### K. William Kapp Prize

Amount: €2000 (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 2003 prize should be either unpublished, or published no earlier than 1 January 2000.

### Gunnar Myrdal Prize

Amount: €2000 (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 2003 Myrdal prize should be either unpublished, or published no earlier than 1 January 2000.

Entries must be received by the EAEPE Prize Competition Co-ordinator by the strict deadline of 1st January 2003. Entries should be sent to the EAEPE

Prize Competition Co-ordinator Stavros Ioannides, Panteion University, 136 Syngrou Av, 176 71 Athens, Greece, Tel (301) 9201866, Fax (301) 9223690, Email: stioan@panteion.gr.

Please send your prize entries to Stavros, 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 2003 prizes will

be made at the 2003 EAEPE Conference.

### All candidates must be paid-up 2003 members of EAEPE.

It is planned that the Council will judge both prizes by April 2003. The Kapp Foundation will assist in the judging of the Kapp Prize. Any member of the EAEPE Council or trustee of the Foundation for European Economic Development serving at any time from 1 January 2002 to 1 July 2003 inclusive shall be ineligible to enter. The EAEPE Council reserves the right not to award a prize if the entries are below the required quality.

*Winners of the Kapp and Gunnar Myrdal prizes will each receive €2000*

## EAEPE Council

The main EAEPE administration is located at CHIMES (Erasmus Center for History in Management and Economics) Erasmus University Rotterdam, Rotterdam School of Management, P.O. Box 1738, 3000 DR ROTTERDAM, The Netherlands, Tel.: 00 31 10 4082753, Fax: 00 31 10 4089638

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Robert Delorme

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\* seconded onto the EAEPE council until December 2002.

## EAEPE Scientific Committee

The Scientific Committee helps plan the programme and selects the papers for the 2002 conference. The 2002 Scientific Committee are: Robert Delorme, Geoff Hodgson, Magali Orillard, Ugo Pagano, John Finch and Neri Salvadori.

### EAEPE and the Internet

The EAEPE home page is : <http://eaepe.tuwien.ac.at>. In addition, it is important that Annette Bartels, the EAEPE administrator, is informed of your current email address, in order to send out current information etc. Please inform her on : [abartels@fbk.eur.nl](mailto:abartels@fbk.eur.nl).

# EAEPE Scientific Development Plan

## Research Areas

### A: Methodology of Economics

Coordinators: Andrea Salanti (University of Bergamo, Italy) and Uskali Mäki (Erasmus University, Rotterdam, The Netherlands)

### B: Complex Socio-Economic Systems

Coordinator: Jean-Louis Le Moigne (Université d'Aix-Marseille III, France)

### C: Institutional Change

Coordinator: Sebastiano Faddo (University of Rome III, Italy)

### D: Innovation and Technological Change

Coordinator: Andreas Pyka (University of Augsburg, Germany)

### E: Theory of the Firm

Coordinators: Thorbjorn Knudsen (University of Odense, Denmark) and Mie Augier (Stanford University, USA)

### F: Environment-Economy Interactions

Coordinators: Alessandro Vercelli and Maurizio Franzini (University of Siena, Italy)

### G: Macroeconomic Regulation and Institutions

Coordinator: Pascal Petit (CEPREMAP, Paris, France) and John Grahl (University of North London, United Kingdom)

### I: Structural and Institutional Change in Eastern Europe

Coordinator: Maria Lissowska (Warsaw School of Economics, Poland)

### J: Monetary Economics, Finance and Financial Institutions

Coordinator: Peter Howells (University of East London, United Kingdom)

### K: Gender and Economics

Coordinators: Francesca Bettio (University of Siena, Italy) and Janneke Platenka (University of Utrecht, The Netherlands)

### M: Cultural Economics

Coordinators: Wilfred Dolfsma (University of Delft, the Netherlands) and Arjo Klamer (Erasmus University, Rotterdam, the Netherlands)

### N: Need, Value and Pricing

Coordinator: Alan Freeman (University of Greenwich, United Kingdom) and Gerhard Hanappi (University of Technology, Vienna, Austria)

### O: Economy, Society and Territory

Coordinator: Frank Moulaert (University of Lille, France)

### P: Economic History

Coordinator: Ioanna Minoglou (University of Athens, Greece)

### S: Theory of Production

Coordinators: Neri Salvadori (University of Pisa, Italy) and Heinz Kurz (University of Graz, Austria)

### T: Institutional History of Economics

Coordinator: Esther-Mirjam Sent (University of Notre Dame, USA)

### U: Development Economics

Coordinator: Antonio Calafati (University of Ancona, Italy)

## 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

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

# Young EAEPE Scholars Workshop



## Young EAEPE Scholars Workshop

In the Summer of 2002, EAEPE will again be involved in organizing a workshop for Young EAEPE Scholars. This year will be the start of a closer collaboration between EAEPE and summer schools & programmes across Europe. For 2002, EAEPE invites young economists as well as others to attend a workshop co-organised with CHIMES – the Erasmus Center in the History of Management and Economics, at the Erasmus University Rotterdam. Contact the local organiser for more details.

Young scholars are requested to send the local organizer an extensive abstract of their research work (2000 words), but preferably a (draft) paper by March 15, 2002. Besides lectures by senior researchers, there will be ample opportunity to discuss your work during the workshop.

Some of the participants of the Young EAEPE Scholars workshop may be selected to take part in a special session at the 2002 EAEPE conference in Aix-en-Provence, France, to present their (revised) research paper.

Local Organiser: Wilfred Dolfsma  
Erasmus University Rotterdam, FBK  
PO Box 1738  
3000 DR Rotterdam, The Netherlands  
w.dolfsma@fbk.eur.nl  
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<http://www.fbk.eur.nl/FBK/VG6/wdolfsma/welcome.html>

## EAEPE and the European Network

The council has regularly discussed the links of EAEPE with other (European) associations. It was considered important to explore the possibilities to intensify the links with other associations like EGOS, SASE, ISNIE and the like, because the council wants to offer the membership an entry to a wider European and global network of researchers. When the 'Research Areas' of EAEPE are linked with similar structures of other associations, members of EAEPE can make contacts and do joint research more easily with colleagues of other disciplines but close to their domain of research. Also for education programmes such links can be important; especially with the introduction of the Bachelor/Master in Europe it is of interest to know where what kind of programmes are offered in the domain of institutional, political and evolutionary economics.

The membership meeting in Siena decided to support the council in exploring together with other associations a future European network with the so-called Siena declaration:

*'The Siena declaration:*

*'The European Association for Evolutionary Political Economy notes and regrets the lack of a broad forum for economists and allied social scientists in Europe. It asks the EAEPE Council to discuss with other European and International associations, that are engaged in research into economies and economic phenomena, to explore together the possibility of forming a broad and pluralist European Economic Society'*

In the beginning of 2002 the council will take further initiatives. We welcome very much your suggestions of associations we should include in our exploration.

I will report back in the July 2002 newsletter.

John Groenewegen (General secretary)

## Geoff's List #3: Winter 2002

Prepared for the European Association for Evolutionary Political Economy by Geoff Hodgson

I have been asked by the EAEPE Council to provide a regular summary of some of the more important recent publications that I have come across in my reading.

Again emphasising the incompleteness and other imperfections of this listing, the third instalment is presented below. I have here confined myself to works published in 2000 or later. No works with an earlier date of publication will be discussed in this or subsequent lists. In addition, essays in EAEPE publications will not be discussed here, on the grounds that they are already promoted under the EAEPE imprint. Suggestions are also welcome concerning other recent works, published in 2000 or later, to be included in future lists. Hard copies of books or articles for possible review can be sent to: Geoff Hodgson, Malting House, 1 Burton End, West Wickham, Cambridge, CB1 6SD, UK.

Unfortunately, this column cannot review all books or articles received.

The essays in Golden and Figart (2000) set out and discuss this evidence, but also show that working time has not increased in many European countries in the same period. This interesting book not only identifies global upward pressures on working time, but also shows that outcomes vary substantially in different capitalist countries.

Perraton (2001) is essentially an extended review of the second edition of Paul Hirst and Grahame Thompson's major work *Globalization in Question* (Polity Press, 1999). Perraton's article is especially useful in that it highlights the issues of analytical dispute and their policy implications. For example, Perraton gives more emphasis than Hirst and Thompson to the importance of cross-border financial flows in defining the global character of markets. In a policy-oriented dissection of the theoretical assumptions underlying the economics of the 'third way', Arestis and Sawyer (2001) conclude that it is 'little more than neoliberalism with a human face'.

Geoff's List #3:  
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### THE MODERN WORLD ECONOMY

Arestis, Philip, and Sawyer, Malcolm (2001) 'The Economic Analysis Underlying the "Third Way"', *New Political Economy*, 6(2), July, pp. 255-78.

Brynjolfsson, Erik and Hitt, Lorin M. (2000) 'Beyond Computation: Information Technology, Organizational Transformation and Business Performance', *Journal of Economic Perspectives*, 14(4), Fall, pp. 23-48.

Golden, Lonnie and Figart, Deborah M. (2000) *Working Time: International Trends, Theory and Policy Perspectives* (London and New York: Routledge).

Gordon, Robert J. (2000) 'Does the "New Economy" Measure up to the Great Inventions of the Past?', *Journal of Economic Perspectives*, 14(4), Fall, pp. 49-74.

Oliner, Stephen D. and Sichel, Daniel E. (2000) 'The Resurgence of Growth in the Late 1990s: Is Information Technology the Story?', *Journal of Economic Perspectives*, 14(4), Fall, pp. 3-22.

Perraton, Jonathon (2001) 'The Global Economy – Myths and Realities', *Cambridge Journal of Economics*, 25(5), September, pp. 669-84.

Oliner and Sichel (2000) discuss the significant increase in US productivity growth from 1995 to 2000 and question the extent to which it can be attributed to the development and spread of information technology. Using a conventional aggregate growth accounting framework, they claim to show that the new information technology lay behind much of the acceleration in productivity growth. Brynjolfsson and Hitt (2000) use firm-level data to show that the introduction of computer technology has been associated with a major increase in productivity, flatter corporate hierarchies and some decentralisation of decision making. It also seems that the 1990s also saw an increase in average working time in the USA.

### GENDER ISSUES

Costa, Dora L. (2000) 'From Mill Town to Board Room: The Rise of Women's Paid Labor', *Journal of Economic Perspectives*, 14(4), Fall, pp. 101-22.

Folbre, Nancy and Nelson, Julie A. (2000) 'For Love or Money – Or Both?', *Journal of Economic Perspectives*, 14(4), Fall, pp. 123-40.

Mammen, Kristin and Paxson, Christina (2000) 'Women's Work and Economic Development', *Journal of Economic Perspectives*, 14(4), Fall, pp. 141-64.

Clearly, the changing world economy has significant implications concerning both female participation in paid employment and the nature of the family. Costa (2000) gives interesting evidence on the substantial increases in female participation in the labour force in several OECD countries during the twentieth century. She claims that the biggest increases in participation have been in careers that were not traditional for women in the past. Mammen and Paxson (2000) consider female participation in the workforce in developing countries.

In an important and stimulating essay, Folbre and Nelson (2000) consider the interpenetration of commerce and family life, and the effects of demographic shifts and female workforce participation. They identify markets as the traditional world of men from which women were traditionally excluded, and they claim that women are now much more involved in markets. But in my view these propositions are too simplistic. The traditional housewife was involved in markets – as a shopper. And the world of paid employment is not primarily a world of markets but a world of organisations. In the economy as a whole, very little employee time involves engagement with markets or, in particular, the negotiation of contracts of employment.

## KNOWLEDGE AND INSTITUTIONS

- Hollingsworth, J. Rogers (2000) 'Doing Institutional Analysis: Implications for the Study of Innovations', *Review of International Political Economy*, 7(4), Winter, pp. 595-644.
- Helper, Susan, MacDuffie, John Paul and Sabel, Charles (2000) 'Pragmatic Collaborations: Advancing Knowledge While Controlling Opportunism', *Industrial and Corporate Change* 9, pp. 443-487.
- Langlois, Richard N. (2001) 'Knowledge, Consumption, and Endogenous Growth', *Journal of Evolutionary Economics*, 11(1), pp. 77-93.
- Loasby, Brian J. (2000) 'Market Institutions and Economic Evolution', *Journal of Evolutionary Economics*, 10(3), pp. 297-309.
- Nelson, Richard R. and Sampat, Bhaven N. (2001) 'Making Sense of Institutions as a Factor Shaping Economic Performance', *Journal of Economic Behavior and Organization*, 44(1), pp. 31-54.
- Potts, Jason (2001) 'Knowledge and Markets', *Journal of Evolutionary Economics*, 11(4), October, pp. 413-31.

Helper et al. (2000) is a very interesting discussion of contracts and other relations between firms. One outcome is a critique of the over-use of the opportunism concept. They identify problems of potential misinterpretation and 'the ambiguity and provisional nature of all understanding, from the simplest verbal exchange to the most complex co-development project. As a consequence, interlocutors and partners must cooperate in pursuit of mutual intelligibility as a condition of self-understanding.'

In a major, wide-ranging essay Hollingsworth (2000) argues for the importance of institutional analysis and stresses its importance with regard to the understanding of innovation. Nelson and Sampat (2001) cover related ground, providing a very good overview of discussions on the nature of institutions and their role in the economy. Loasby (2000) gives an excellent exposition of the view that markets are institutions that have organisational and cognitive functions.

Langlois (2001) develops an important critique of endogenous growth theory by showing that it neglects tacit and uncodifiable knowledge. Tacit knowledge does not have the same public good and spillover characteristics that characterise the rather limited conception of knowledge that dominates new growth theory. Contrary to some claims, Langlois argues that knowledge is not increasingly being codified. Accordingly, both endogenous growth theory and some speculations concerning the 'new economy' are eroded. This is the article that I recommend most highly on this current list.

Potts (2001) develops an analysis of knowledge and markets that has strong resonances with both Loasby (2000) and Langlois (2001). He also develops the argument in an exciting way, by pointing to different types of systemic connectedness.

Taken as a whole, the six essays in this section reveal exciting and promising developments within evolutionary and

institutional economics.

## EVOLUTIONARY THEMES

- Aunger, Robert (ed.) (2000) *Darwinizing Culture: The Status of Memetics as a Science* (Oxford and New York: Oxford University Press).
- Dopfer, Kurt (ed.) (2001) *Evolutionary Economics: Program and Scope* (Boston: Kluwer).
- Fehr, Ernst and Gächter, Simon (2000) 'Fairness and Retaliation: The Economics of Reciprocity', *Journal of Economic Perspectives*, 14(3), Summer, pp. 159-81.
- Ostrom, Elinor (2000) 'Collective Action and the Evolution of Social Norms', *Journal of Economic Perspectives*, 14(3), Summer, pp. 137-58.
- Sugden, Robert (2001a) 'Ken Binmore's Evolutionary Social Theory', *Economic Journal*, 111(2), February, pp. F213-43.
- Sugden, Robert (2001b) 'The Evolutionary Turn in Game Theory', *Journal of Economic Methodology*, 8(1), March, pp. 113-30.
- Tschoegl, Adrian E. (2001) 'The Denominations of US Coins: A Case of Institutional Evolution', *Journal of Evolutionary Economics*, 11(3), pp. 359-84.

Geoff's List #3:  
Winter 2002

Don't be put off by the title or subtitle of Aunger (2000): it is a fascinating collection of interdisciplinary essays, which are required reading for anyone interested in evolutionary ideas in the social sciences. Although the meme idea is central to the narrative, the contributors range from meme-enthusiasts (Susan Blackmore), through more cautious devotees (David Hull,

Henry Plotkin, Rosario Conte), to outright critics of the meme concept (Dan Sperber, Adam Kuper, Maurice Bloch). Personally, I think that the meme idea is both vague and highly problematic. A weakness of the volume is that most of the contributors seem to know little about the philosophy of science (Hull, of course, is a notable exception) and what, as a consequence, the pursuit of scientific status for 'memetics' might mean. Another is that there is little discussion of what I would regard as the key concept of habit. But overall I found much this to be one of the most stimulating and incisive volumes on evolutionary concepts in the social sciences.

Sugden (2001a, 2001b) provides interesting discussions and critiques of evolutionary game theory, focussing especially on the works of Kenneth Binmore and Peyton Young. For those economists enamoured by the word 'evolutionary' – whatever they might mean by it – evolutionary game theory has to be watched and understood. Sugden's two essays are very helpful in this respect. Like some of the contributions mentioned above, Sugden (2001a) is sceptical of the meme concept. Critically addressing one of the fads of modern microeconomics, Sugden proposes that 'game theorists have turned to evolutionary theory to escape empirical questions'. He concludes that 'a genuinely evolutionary approach to economics may have to diverge much further from the conventional, rationality-based approach than most theorists so far been willing to countenance.'

Tschoegl (2001) discusses the evolution of coin

denominations – a historically grounded case study in institutional evolution of a kind that could usefully be imitated. Ostrom (2000) discusses the evolution of social norms from the perspective of rational choice theory and beyond, linking with theories of cultural evolution, and thereby with the concerns of both Aunger and Sugden, discussed above. Fehr and Gächter (2000) discuss related themes, emphasising issues such as reciprocity and fairness in the evolution of norms. It seems that any and every economist is on some kind of ‘evolutionary’ bandwagon nowadays. Furthermore, the evolution of norms and institutions has become an issue that is now aired widely, even in mainstream economics journals.

For an excellent overview of recent developments in evolutionary economics see Dopfer (2001). Especially for those interested in this field, the essays in this highly stimulating and carefully synthesised volume are well worth a read. The volume also serves as a good quality and up-to-date review of much of the literature, with essays by Bush, Day, Dopfer, Foss, Hermann-Pillath, Langlois, Lesourne, Loasby, Metcalfe, Nelson, Sabooglu, Tool, and Witt.

#### THE INSTITUTIONS OF CAPITALISM

Burczak, Theodore (2001) ‘Ellerman’s Labor Theory of Property and the Injustice of Capitalist Exploitation’, *Review of Social Economy*, 59(2), June, pp. 161-83.

Foss, Kirsten and Foss, Nicolai Juul (2000) ‘Theoretical Isolation in Contract Theory: Suppressing Margins and Entrepreneurship’, *Journal of Economic Methodology*, 7(3), November, pp. 313-39.

Foss, Kirsten and Foss, Nicolai Juul (2001) ‘Assets, Attributes and Ownership’, *International Journal of the Economics of Business*, 8(1), pp. 19-37.

Screpanti, Ernesto (2001) *The Fundamental Institutions of Capitalism* (London and New York: Routledge).

Foss and Foss (2000) is a methodological critique of contract theory in economics, including the famous version developed by Sanford Grossman and Oliver Hart (*Journal of Political Economy*, 1986). One of the useful features of this paper is its discussion of criteria for suitable ‘abstractions’ or ‘isolations’ in economics. Foss and Foss see one of the defects of standard contract theory as its omission of entrepreneurship. In another essay, Foss and Foss (2001) provide a powerful critique of the overly narrow and a-legal concept of ownership in the new property rights economics.

In Screpanti (2001) there is much more on related legal themes. Therein, so to speak, John Commons meets Karl Marx. In the tradition of Commons, Screpanti is one of the few modern scholars to apply refined conceptions of property, contract and law to the understanding of capitalism. Unlike the work of some Marxists, law is treated as more than an epiphenomenon. Perhaps, however, Screpanti’s definition of capitalism – principally in terms of the existence of employment contracts – is overly broad, and his treatment of the employment contract is insufficiently nuanced.

On a related track, where normative evaluations of the employment contract become even more central, Burczak (2001) is one of the few discussions of David Ellerman’s scandalously neglected major work on *Property and Contract in Economics: The Case for Economic Democracy* (1992). All the works mentioned in this paragraph are important in the expanding interface between economics, law and ethics.

#### METHODOLOGY AND THE HISTORY OF IDEAS

Archer, Margaret S. (2000) *Being Human: The Problem of Agency* (Cambridge: Cambridge University Press).

Blaug, Mark (2000) ‘No History of Ideas, Please, We’re Economists’, *Journal of Economic Perspectives*, 15(1), Winter, pp. 145-64.

Frey, Bruno S. (2001) ‘Why Economists Disregard Economic Methodology’, *Journal of Economic Methodology*, 8(1), March, pp. 41-7.

Jessop, Robert (2001) ‘Regulationist and Autopoieticist Reflections on Polany’s Account of Market Economies and the Market Society’, *New Political Economy*, 6(2), July, pp. 213-32.

Lipsey, Richard G. (2001) ‘Successes and Failures in the Transformation of Economics’, *Journal of Economic Methodology*, 8(2), June, pp. 169-201.

Mayer, Thomas (2001) ‘The Role of Ideology in Disagreements Among Economists: A Quantitative Analysis’, *Journal of Economic Methodology*, 8(2), June, pp. 253-73.

Nielsen, Klaus (2001) ‘Institutionalist Approaches in the Social Sciences: Typology, Dialogue, and Future Challenges’, *Journal of Economic Issues*, 35(2), June, pp. 505-16.

Rutherford, Malcolm H. (2001) ‘Institutional Economics: Then and Now’, *Journal of Economic Perspectives*, 15(3), Summer, pp. 173-94.

Viskovatoff, Alex (2001) ‘Rationality as Optimal Choice versus Rationality as Valid Inference’, *Journal of Economic Methodology*, 8(2), June, pp. 313-37.

The first neoclassical economics textbook that I read was Richard Lipsey’s *Positive Economics*. Although often clear and helpful, it also promoted some methodological irritation and theoretical disdain. Well into his seventies, Lipsey now describes himself as an evolutionary economist. Lipsey (2001) is still methodologically flawed, but it has some good criticisms of the economics mainstream that Lipsey himself once represented. His central insight is that the past insights of economics are more qualitative than quantitative, and that mainstream economics is insufficiently adapted to deal with qualitative issues.

Many critics of mainstream economics continue to believe that orthodoxy is itself defined in policy terms, that ‘neoclassical’ economics is necessarily free-market economics, and so on. Such views underestimate the policy plasticity of the core assumptions of neoclassical theory and ignore the historical fact that neoclassical developments such as general equilibrium theory have been used to bolster socialism and planning. In an interesting empirical study, Mayer (2001) claims that ideological differences between economists explain a significant but

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very small amount of the disagreement in responses to some key questions.

Against the relentless trend to disregard and demote the history of ideas, Blaug (2001) is a spirited defence of the study of the history of economic thought as a subject, which all doubting economists should read. Frey (2001) argues (perhaps too optimistically) that the growth of the Internet will free-up economics publishing, releasing the stranglehold of the core journals and their chosen referees. Against this interesting argument, it can be proposed instead that Internet publishing will result on an unmanageable and intellectually devastating nuclear explosion of material, of both low- and high-grade, but dominated by the inferior. In the absence of Internet search engines that can actually screen for the quality of content, perhaps readers will be obliged to rely more on institutions of quality accreditation and selection. This may actually reinforce rather than undermine the dominance of the core journals.

Rutherford (2001) is a splendid overview of the original institutional economics, its connection with the new institutional economics, and its relevance today. For those that want an informed primer on the history of institutionalism, this is the place to start. Nielsen (2001) is a useful and critical discussion of different approaches to the analysis of institutions, in both economics and sociology. Articles such as this, even if they are fundamentally attempts at taxonomy, are especially useful in creating dialogue across the disciplinary boundaries. Again crossing disciplinary boundaries, Jessop (2001) provides an interesting and fruitful comparison of the conceptualisation of markets in the work of Karl Polanyi with that in the *régulation* and autopoietic schools. The result is an insightful discussion of frequently invoked but problematic concepts such as embeddedness.

Viskovatoff (2001) argues that economics has wrongly abandoned the view that people act for reasons, in favour of a notion of rationality as some kind of expressive or optimal behaviour. In contrast, genuinely reason-based rationality would end the obsession with modelling and lead to a more historically and empirically grounded approach. In her latest contribution to social theory, Archer (2000) also takes up the themes of action and reason. Like Viskovatoff, she also objects to David Hume's dictum that reason is unavoidably 'the slave of the passions'. She defends a realist approach to the study of human agency against those that reduce the social sciences to mere 'discourse'. In addition, Archer brings the interplay of emotion and reason into the centre of the picture. Redolent of pragmatism, Archer repeatedly emphasises 'the primacy of practice' over thought and reason. Yet there is still no reference to habit or instinct, and there is still an inadequate explanation of what lies behind elemental acts and emotions.

#### CONSUMPTION, WANTS AND SELF-INTEREST

Henrich, Joseph, Boyd, Robert, Bowles, Samuel, Camerer, Colin, Fehr, Ernst, Gintis, Herbert and McElreath, Richard (2001) 'In Search of Homo Economicus: Behavioral Experiments in 15 Small-Scale Societies', *American Economic Review (Papers and Proceedings)*, **91**(2), May, pp. 73-84.

Pratten, Stephen (2001) 'Coase on Broadcasting, Advertising and Policy', *Cambridge Journal of Economics*, **25**(5), September, pp. 617-38.

Saviotti, Pier Paolo (2001) 'Variety, Growth and Demand', *Journal of Evolutionary Economics*, **11**(1), pp. 119-42.

Trigg, Andrew B. (2001) 'Veblen, Bourdieu, and Conspicuous Consumption', *Journal of Economic Issues*, **35**(1), March, pp. 99-115.

Witt, Ulrich (2001) 'Learning to Consume – A theory of Wants and the Growth of Demand', *Journal of Evolutionary Economics*, **11**(1), pp. 23-36.

Henrich *et al.* (2001) reports a search for *homo economicus* in 15 relatively simple societies. They examine the 'canonical model' of self-interested and materially-oriented behaviour. Their strong conclusion is that the canonical model is not supported by evidence from any single one of these societies and that there is considerable cultural variation from case to case.

Trigg (2001) provides a useful re-evaluation and defence of Veblen's theory of conspicuous consumption, interestingly also comparing it with the work of Pierre Bourdieu. In a work that is simultaneously methodological, theoretical and policy-oriented, Pratten examines the stance of Ronald Coase in regard to wants, needs and broadcasting policy. Should broadcasting be driven solely by the market or more by assessments of human need? His discussion of Coase's views is particularly illuminating in this context, but he could have usefully referred to the literature on wants and needs (e.g. Len Doyal and Ian Gough's *A Theory of Human Need*, 1991) rather than simply repeating the usual stuff from critical realism.

Witt (2001) argues that much thinking about growth in economics neglects the demand side by leaving the structure of wants unchanged. To help to fill this gap, he proposes a theory of developing wants. Saviotti (2001) also argues that the emergence of new goods implies that preferences cannot be taken as given in economic development, and focuses further on the implications of an increasing variety of goods.

Disclaimer: The views in this column are those of Geoff Hodgson in his personal capacity, and not necessarily those of EAEPE or of any other organisation.

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## Abstract of PHD

### The role of routines in organizations – An empirical and taxonomic investigation.

Markus C. Becker

Judge Institute of Management Studies, Cambridge University

Supervisors: Geoffrey M. Hodgson, Jochen Runde May 2001

Much of our daily activity is routinised, not just in our private life, but also in our work life. In the business world, routines are ubiquitous. They feature in many forms of behaviour that are central to economic activity. They also have a number of important roles in organisations. Routines are central to many economic and business phenomena. Because of the ubiquity and centrality of routines and the roles they play in organisations, it is argued that analysing economic and business problems by focussing on routines is promising. For doing so, the concept of routines available matters, and how explanatory powerful it is. It is argued that an explanatory powerful concept of routines can improve our understanding of economic and business phenomena. The concept of routines is prominent in the literature on organisational and economic evolution. It is central to evolutionary explanations in economics because it is seen as the equivalent of the gene in the social realm. In evolutionary frameworks in economics, routines are the most basic unit of analysis. Despite this, it is still unclear precisely what is meant by the term 'routines'. Many ambiguities and inconsistencies in the concept itself still prevail, crippling its explanatory power.

This thesis has the objective to enhance our understanding of the concept of routines and the explanatory power of the concept of routines, in order to enable the application of the evolutionary framework to the economic realm. This objective is implemented by looking at the role of routines in organisations.

The thesis is structured as follows: Routines are central to many economic and business phenomena because of the roles they have in organisations. This is the starting point of the thesis. The question arising then is 'What roles do routines have in organisations?' A second underlying hypothesis is that the concept of routines can improve our understanding of economic and business phenomena by enabling the application of the evolutionary framework to the analysis of these phenomena. Because this framework consists in explaining variation, selection, and retention, the question essentially boils down to 'How can the concept of routines help understand variation, selection and retention in the social realm?' These two questions draw through the whole work, which is organised in two parts comprising eight chapters. Part one focuses on the role of routines in organisations and the concept of routines. Chapter II provides an overview over the history of the concept of routines. Its objective is to clarify key ideas that have constituted the origins of the concept but that

may have been forgotten or are not any more appreciated as core ideas underlying the concept. This builds up first elements of answers to the two research questions. Chapter III then turns from the past to the present, directly tackling the question 'What roles do routines have in organisations?' by describing the current understanding of routines in organisations and the concept of routines in the contemporary literature. The objective of chapter III is to identify convergences and divergences of opinion, to provide semantical clarification and to clear up ambiguity surrounding the concept of routines. Thus, it delivers a 'map' of the *terrain* of the debate. However, the question 'What roles do routines have in organisations?' is an empirical question – it can ultimately only be decided by empirical studies. For this reason, chapters IV and V focus on empirical research, that is, research that looks at real-life organisations and the role of routines in those. Chapter IV reports results of contemporary empirical literature, and chapter V those of an in-depth case study of co-ordination routines in a marketing department of a large retailing company. Part two of the thesis then turns to the second research question, 'How can the concept of routines help understand variation, selection and retention in the social realm?' For tackling the first question, chapter VI explains the structure of evolutionary explanations in economics in order to follow up the hypothesis that the evolutionary framework can be helpful for understanding economic phenomena. It derives requirements that the concept of routines has to fulfil in evolutionary frameworks, assesses whether it is able to fulfil them, what elements are missing and how they could be put in place. These objectives contribute to enhancing our understanding and in particular the explanatory power of the concept of routines by providing a clearer idea of the evolutionary explanation that routines are a part of. Chapter VII further tackles the question 'How can the concept of routines help understand variation, selection and retention in the social realm?' by investigating the 'micro-mechanisms' underlying variation, selection and inheritance in the social realm. In improving our understanding of these, I am better able to tie the concept of routines closer into the evolutionary framework, thus enhancing the explanatory power of both. Chapter VIII concludes, summarises findings and draws them back to the two research questions, presents a taxonomy of routines and related concepts and draws implications for the evolutionary framework in economics, empirical research on routines, and the research agenda on routines.

## The Perception of Risk: Paul Slovic,

Earthscan £19.95

By Gráinne Collins

How risk is distributed in modern society is of great interest to social scientists. In part the interest in the concept of risk is a consequence of trying to cope with the dangers of modern life - dangers we ourselves have created (nuclear power, BSE) but have no control over (Beck, 1992). Yet an underlying assumption in much of our discussion of risk is that we all have the same perception of risk. This book convincingly questions that notion.

Apart from the classic dichotomy between risk and uncertainty (and the consequences of that demarcation) we don't problematise risk in economics. We often assume that if a probability distribution can be attached to an outcome then all well and good. We may argue about the legitimacy of attaching a probability to something that is unknown and unknowable but we typically don't take on board that individuals, situated in different places within society, perceive risk (and, of course, uncertainty) differently.

*The Perception of Risk* brings together the work of Paul Slovic, a psychologist with a particular interest in risk perception, to examine the gap between expert views of risk and public perceptions. The book has 26 sole or joint-authored pre-published papers on many aspects of risk perception. The papers cover diverse topics such as smoking by adolescents, sighting nuclear waste dumps, toxicology, asteroids, and decision making in mental health law. Slovic discusses risk methods for assessing perceptions of risk, and the implications for regulation and public policy.

Ordered chronologically from 1974 to 2000, it is possible to see how our understanding of risk perception has evolved. The first few chapters look at how the public 'misconceived' risk. Later chapters recognize the importance and legitimacy of equity, trust, power and other value-laden issues underlying public concern. Originally under the revealed preference approach, risk perception was viewed as a form of deliberative analytic information processing. If individuals didn't have the same judgements as professionals on risk it was because they were non-rational. Society, by trial and error, arrived at an essentially optimum balance between risks and benefits (sound familiar?). Slovic's approach differed in that he and his colleagues actually set out to find what people thought of risks. This expressed preference approach has the advantage that it doesn't assume we are at some optimum or that experts know best.

Slovic quotes with approval Simon's development of bounded rationality (1959 and 1960) and takes as the starting point for much of the following analysis Simon's point that individuals have limited computational capacity and satisfice rather than maximise. Moreover, as the research by Slovic and his co-authors establishes that risk is influenced by:

**Expertise:** when experts were asked to judge risks the numbers they produced correlated with annual fatalities – when lay people were asked to judge risks, even though they were aware of annual fatalities their judgement of risk was also influenced by other factors as well such as catastrophic potential, controllability, threat to future generations and were hence very different from the expert assessments.

**Stigma:** even though citizens may recognise that fatalities or injuries may be low, if they fear stigmatisation they rank something as risky.

**Affiliation bias:** how close we are to the risk – for example toxicologists who work for industry see chemicals as more benign than do their counterparts in academia and government. Industry toxicologists had more faith in tests except when the tests indicated toxicology in which case they downgraded their faith in the tests!

**Signal value:** the perceived seriousness of a threat can be amplified by, for example, the media coverage.

**Affect:** our rating of risk varies by are like or dislike of something (think of rock climbing)

**Worldviews:** equalitarians rank risk higher than those who prefer a hierarchical social order

**Nationality:** differed nations ranked and rated risk differently

**Gender:** women tend to rank situations as riskier than men.

**Race:** white people (and in particular white men) rank situations lower than non-white people.

**Trust:** if we don't trust experts we rank situations as riskier.

Even though Slovic explicitly doesn't deal with the difference between risk and uncertainty, it is clear that it is this difference that he is actually addressing. Slovic concludes the book 'that risk is socially constructed, it does not exist 'out there', independent of our minds and cultures waiting to be measured. Instead, humans have invented the concept of *risk* to cope with the dangers and uncertainties of life.' (page xxxvi)

How individuals process information is probably one of the major fault lines between economists of different hues. Whether one views information processing as a deliberative analytical process or much more influenced by such things as knowledge, attitudes, benefits, values, perceptions, affect and affiliations defines one's worldview. This book, besides being full of fascinating facts and studies, supports the latter and well repays a read.

### References

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Simon, Herbert A. (1959) 'Theories of Decision-Making in Economic and Behavioural Sciences', *American Economic Review*, 49, pp 253-283.

Simon, Herbert A. (1960) *The new science of management decision* New York: Harper.

## **Credit, Money and Production. An Alternative Post-Keynesian Approach.** **Louis-Philippe Rochon, Edward Elgar 1999**

**By Engelbert Stockhammer**

In "Credit, Money and Production" L.-P. Rochon discusses various theories of endogenous money and aims at developing a post-Keynesian approach that is based on the Franco-Italian Circuitists. He not only critically reviews the post-Keynesian approaches that have become known as horizontalists and verticalists since the seminal book by B. Moore, but also elaborates on the history of monetary theory by presenting the work of H. Minsky, N. Kaldor and J. Tobin as well as P. Davidson and S. Rousseas (as predecessor of verticalists), J. Robinson and R. Hahn (as predecessor of the horizontalists). Furthermore he assesses the contribution of New Keynesians, and finally he builds a circuitist theory of banking behavior.

Rochon tries to establish a truly heterodox approach to money, which for him is that money is created *ex nihilo* by banks, who will supply any amount of credit desired by firms, if the latter can provide the collateral required by banks. Thus the causality runs from the demand for credit to the creation of deposits, thus money, and as a consequence, of reserves. Any acceptance of the notion of exogenous money supply or an upward sloping credit supply curve for him is an indication that the proponent of such ideas has not succeeded in the long struggle to escape orthodoxy.

There are two major post-Keynesian theories of endogenous money. First, verticalists, sometimes also referred to as structuralists, do think that Central Banks can exercise considerable control over the money supply, via quantity constraints on the discount window, and also that banks may be reluctant to make full use of central bank finance. At times of tight credit markets, banks will actively seek to develop new financial instruments to extend credit. However, they will only be able to do so at rising interest rates. Second, horizontalists, also known as accommodationists, argue that the Central Bank will not, at least under normal circumstances, refuse to play its role as the lender of last resort, but provide any amount of credit at a given interest rate. Thus the credit supply curve is horizontal, consisting of the discount rate plus a mark up.

Much of the post-Keynesian literature discusses differences in those two approaches, but ends in emphasizing their potential complementarity (e.g. Lavoie 1992). One of the merits of Rochon's book is that he clearly points out that they have different theoretical underpinnings, thus showing that if they are to be reconciled, further theoretical work is needed. Rochon's own position is much closer to the horizontalists, however he uses the circuitists to move even further. Circuitists do away with the notion of a money supply curve and with the notion of money as a stock magnitude. Rather they argue that money is created as a consequence of the demand for credit and, after production has taken place and has been sold, the paying back of the credit destroys money. Money thus is a flow that constantly comes into existence and is destroyed in the capitalist process of production and hence it is not meaningful to think of it as a stock or an asset.

Rochon's argument in favor of such an analysis is that it constitutes a clear break with orthodoxy, reverses its line of causation and offers a "revolutionary" theory of endogenous money. Thus the justification is purely theoretical. Rochon offers no discussion of its superior power in explaining empirical phenomena, in fact he almost completely bypasses the empirical research that has been done. This makes itself felt in his theoretical discussions. For example when he writes about money, it is presupposed that this is a well defined term, whereas structuralists have gone through great length in establishing that the Central Bank can control narrow money, the velocity of which is endogenous, precisely because financial institutions will invent new forms of broad money. The latter is thus hard to control by the Central Bank.

What is strangely absent in a post-Keynesian book on monetary theory of the late 1990s is a discussion of financial crises. What justifies the search for an alternative to orthodox monetary theory, at least in the view of this reviewer, is its inability to explain reoccurring, i.e. endogenous, economic crises emanating from the financial sector. For this, the theory of liquidity preference and verticalists, both viewed critically by Rochon, have much to offer.

In sum, Rochon's book is an interesting and provocative contribution that is written for readers already familiar with the debate and will be challenging to someone seeking an introduction to the debate on endogenous money.

## **Marx, Marxism and Utopia, Darren Webb (2000)**

**Aldershot Ashgate Publishing Ltd**

BY ALLAN WARD

For readers lucky enough to discover this book does a number of things well. These strengths justify Webb's unfashionable liberty to conclude with a sting in the tale (not sic), a challenge that should make a jaded academy take notice, whether sympathetic or not to Marx, Marxism and Utopia as fields of interest.

Employing an inquisitorial mode of cross examination Webb is concerned with establishing a just interpretation rather than a winning one for 'to define Marxism entirely in terms of what Marx himself said is nothing short of a useless theoretical fetishism' (p140). And the inquiry proceeds via a series of steps to show that utopian messianic philanthropy had, and has, no place in Marx's project. As a theoretician of the proletarian class Marx endeavoured to show how the emancipation of humanity can only come about through its own self determination tied in with the movement of evolving capitalism. The fact that utopian elements, the whole man, the all-round individual and the ontological necessity of labour are incorpo-

*continued...*

rated into a materialistically critical socialism are 'accidents' or 'by-products' that can frustrate any theoreticians' quest for consistency. The important and redeeming aspect for Webb though is that 'these visionary descriptions of communism were not projected by Marx as the result of a conscious decision on his part to imagine what the ideal form of humanity would look like. Instead they entered his work as part of a completely different endeavour, the endeavour, that is, to devise a model of historical development that could guarantee the emancipatory nature of the future without requiring pictures of it to be painted at all' (p135). The text is securely based on a scholarly coverage of Marx's works and it is easy to be carried away by Webb's empathy for Marx's theoretical difficulties. This empathy is most openly displayed when recounting Marx's near desperate attempt to establish the teleological requirement of an original state of unity for the Whole Man thesis.

The characteristic of careful textual analysis, consistently and pugnaciously filtered through the book's thesis, is that Marx failed to make hope and history rhyme without reluctant recourse to utopian (i.e. non-scientific) elements, is an evident strength and thereby Webb punches an awesome intellectual weight. This power is directed against the utopian socialists, 'a creed which can only be silly, stale and reactionary from the roots up' (p22) and those who believe Marx agreed with the utopian socialists' ends though scornful of the means; against an interpretation of the dictatorship of the proletariat and the Communist manifesto as anything other than simply a bourgeois phase to force the maturation of the conditions conducive to a higher phase of communism; and against the judgement that Marx's description of the higher phase of communism is a blueprint that satisfies the criteria of a utopia 'as an imaginary state or society which is regarded as better than the one in which its author lives and is described by that author in a variety of aspects and with some consistency' (p1).

Following these winning rounds Marx is summoned into the ring on his own account and subjected to the same vigorous treatment that penetrates his defences and ruthlessly exposes a soft scientific underbelly in which finally 'dialectics descends into mysticism' (p103). The gap between critique and critique that becomes a material force that sets people in motion is bridged only by believing in an ethical imperative that 'because the current relations of production hinder proletarian self-determination they should be abolished and because common ownership fosters self-determination they should replace them' (p94). Webb points out that Marx failed to establish an inherently progressive nature of the historical process, the simplification of the class structure and the subsequent intensification of the class struggle.

Put starkly the emancipation of humanity did not lay in the material conditions of the present. To assert otherwise required the utopian girders of the whole man, the all-round individual and the ontological necessity of labour. And still do?

There is however enough residual strength in this hybrid intellectual structure bridging the present to an emancipated future. In despair that we are living in a time when 'apathy and pessimism are the ruling passions' (p138) Webb expresses the faith that there are strong grounds for disputing the claim that Marx's critique lacks contemporary relevance, without actually spelling them out, if only to give a lie to the claim by Fukuyama that 'we cannot picture to ourselves a world that is essentially different from the present one and at the same time better' (ibid.) or Furet's contention that 'henceforth we must live in a closed political universe with nothing beyond the horizon' (ibid.).

What categorically is not required is the construction of radical latter day utopias, as inspiration, to counter the exhaustion of hope. They are deceits even if the intent of the new breed of self-reflexive utopians is to avoid authoritarian political implications. In a typical style that decorates the text Webb sardonically quips that these 'may enable academics to write esoteric tracts preaching the values of de stabilising complexity but they will hardly help the rest of us to come to terms with the problems facing us in the present' (p151).

The 'us' here are socialists whose task it is to ignite the 'spirit of adventure' to 'convince people that subjective action can and does serve a purpose that one can act in the world and change it for the better' (p168). The 'us' could also by reasonable extension of his own professional role implicate the failure of a mainstream academy to ignite a spirit of adventure, the negative proof for which is marked by its almost total absence in today's lecture rooms.

In its place is an acceptance of an outcome that must doubly distress Webb. Firstly a New Economy Utopia based on radical market populism holds hegemonic sway. The market is the emancipator, the liberator, captured by management theory as change agents, entrepreneurs etc. In a world of more equal opportunity the likes of Bill Gates become the deserving rich. Economic democracy is overturning 'voluntaristic' controls by political institutions, dissolving social structures and reshaping international governances. It is anti-elitist, hence non-universal and seemingly unanswerable, which maybe is why the academy is mute, even supposing anybody is disposed to listen to them in the first place.

Secondly there is the suspicion that Marx may have been right about the forces shaping the present but the ethical imperative, all that remains once the accidental utopianism has been exorcised, has come from a different value system. This possibility is fully recognised, 'what is certain is that common ownership is not the only possible negation of private property, nor is worker control of the means of production the only negation of control by capitalists' (p94). In short, Marxism has no guarantees nor does anything guarantee Marxism.

So, before one gets too intoxicated by a spirit of adventure, willy nilly, I suggest a sober reflection is required on, and a materialistic account given, as to why and how this state of affairs came about if we are to share the courage of his convictions and if, as Webb desires, any socialist advance is to be made and hangovers avoided the next time economic conditions are ripe.

Allan Ward *University of Plymouth*

## Adam Smith and Economic Science: A Methodological Interpretation.

The last two decades have experienced a healthy revival of interest in Smith's legacy. In this, the publication in 1976 of *The Theory of Moral Sentiments* (TMS) and *An Inquiry into the nature and Causes of the Wealth of Nations* (WN) as the first step of *The Glasgow Edition of the Works and Correspondence of Adam Smith* (re-published in the cheaper exact reproductions of Liberty Fund) has played an important role. The two last reviews on Smith in the *Journal of Economic Literature* (Recktenwald, 1978; Tribe, 1999) acknowledge this phenomenon. Into this setting, Jan Peil provides another contribution, underpinned by a particular methodological interpretation, to the rapidly growing Smithian industry.

In the introduction the author invites the reader to employ a hermeneutical model to reinterpret Smith's texts. It is promised that this will help us understanding better the idea of a free market today. In the first chapter, 'An Adam Smith Renaissance Anno 1976', after some snapshots of the early receptions and an assessment of the current trends of interpretation, the author characterises the current readings of Smith in relation to two stages. The second sets forth the ground for a reinterpretation of 'Smith's idea of the free market economy as part of a dialogue with Smith' (p. 23). The aim of chapter 2, 'A Contextual Approach to *The Wealth of Nations*', is to provide the social and intellectual context from Aristotle's distinction between *crematistique* and *oikonomia* (a distinction, by the way, already proposed by Plato) to Hutcheson. This chapter has many interesting insights. Unfortunately, the complex nature of Peil's endeavour is highly compressed, generating the feeling that it is too ambitious in scope, and given its coverage, too general. Despite this, some readers might still wonder why David Hume only appears once in this chapter, in an endnote, quoted by another author. Others will be surprised to find in this chapter, for the third time, a lengthy extract from Smith's Advertisement to the sixth edition of the TMS (p. 39; but just in case it, or its significance, might be forgotten, the same passage reappears in chapter 3).

A reinterpretation of sympathy is the subject of chapter 3 '*Mutual Sympathy and Commerce*'. It basically defines Smith's sympathy in a broader sense, as related to an intersubjectively shared world and experience. Peil criticises, effectively I believe, some traditional interpretations. Then, bringing around the reader to the author's main concern of not confusing Smith with neoclassical economics, he makes a distinction between Smith's 'theory' of sympathy and Walrasian general equilibrium theory. Peil correctly argues that Smith saw the social nature of human beings as the classical *zoon politikon*, and not as isolated atoms, and also that 'society has to be understood as an open system' (p. 93). These two arguments on the nature of individuals and society provide a strong case against those who still want to see Smith as the father of a particular kind of economics. The chapter concludes by reconciling free commerce and sympathy in 'a new phase of evolution of the sympathy-processes in which man gives sense and meaning to his life and world' (p. 106).

Once sympathy has been reinterpreted, the ground is ready for a reconsideration of Smith's market price mechanism. This is the aim of chapter 4 '*The Invisible Hand and Mutual Sympathy*'. At the outset, Peil rightly argues that Smith was concerned with the real world, and that general equilibrium models fail in this respect. This chapter, the longest, begins by jettisoning any interpretation of Smith as a precursor of general economic equilibrium theory. The author presents his view of the invisible hand in contrast to those who see it as simply representing a clearing-up of the market, or as loaded with religious significance (but one misses, given its importance, some references to Jacob Viner's *The Role of Providence in the Social Order. An Essay in Intellectual History*). The latter, is a subject of much controversy, and the invisible hand has already been the focus of much discussion. For example Grampp (2000) recently has classified ten possible interpretations of the invisible hand (including his own), and currently Warren Samuels is working on a project that has already detected over two dozen invisible hands. The author's position is that the most famous metaphor in economics communicates an image of order, denying any conflict between self-interest and public interest. He sees natural price as 'prevailing value patterns which provide orientation of people's behaviour and action', and the market price as reflecting 'the actual social values, produced in the actual exchange of the personal interpretations which the actors gave to the value patterns in their local situation' (p. 142). The market mechanism for Smith, with market prices tending towards natural prices, is understood 'as the effect of the communication, competition and concurrence by people longing for praise(worthiness) in the context of the production and distribution of wealth' (p. 146). This reinterpretation of the invisible hand and Smith's market mechanism is interpreted by Peil from the perspective a broader sympathetic process, in which Smith is seen as giving sense and meaning to an expanded project in the context of a rapidly growing commercial society. This chapter constitutes, perhaps, the core of the book.

Peil, reflecting the growing dissatisfaction with mainstream economics in his attempt at a new understanding of the market economy as a result of our dialogue with Smith, concludes with chapter 5, entitled 'Adam Smith and the Crisis of Modern Economics'. But at the end of our dialogical journey there is another detour, this time to a general discussion of Smith and Newton, which in turn is followed by a criticism of Clark's analysis of the Smithian view of society as an evolutionary process. Peil conveys his project as part of a transition to a new style of economics that 'might be called post-modern' (p. 167). And finally, four points comprise his conclusion.

Reading *Adam Smith and Economic Science* confirms the author as a serious Smithian scholar who handles and understands not only the vast literature on Smith, but also the relevant writings that shaped Smith's thinking. This provides a

solid background for his criticism of some approaches and the development of his analysis. However in my view the methodological foundations for the latter are not sufficiently solid. Many readers will agree entirely with the author's basic concern that traditional interpretations of Smith's legacy have frequently neglected or distorted the real intentions and the meaning behind the text. But how far must we stretch the role of the reader in producing 'a' meaning in reading the text, is a complex issue. Should we agree with a hermeneutical approach that pretends to see Adam Smith disappearing into the background? I am much inclined to underline the importance of the author's intentions in his context, of uncovering the real meaning of what he or she was doing in writing those words. In this sense, the impetus of Peil's position is worthy, but many readers might well offer very different answers to the questions he poses, and perhaps even more readers will disagree on what is the context and how we should understand it.

The basic presumption of the book is well-known: Smith's system must be analysed as a whole; specifically, we cannot understand the WN without the moral framework provided by the TMS. Peil's aim is to present a reinterpretation of this old question, which Young (1997) termed the new 'Smith Problem'. The readers of this Newsletter will by and large agree with the author's concern that Smith cannot be read through the eyes of mainstream economics, and that chapter 7 of Book I of the WN does not represent Smith as a forerunner, or founder, of general economic equilibrium theory. Although it is clearly impossible to cover all the literature on Smith, some readers may miss references to Winch's (1997) wonderful piece reflecting this concern and giving strong evidence against this relatively generalised misinterpretation, or Blaug's characterisation of this position as 'a historical travesty of major proportions' (Blaug, 1997, p. 60).

While other readers might share the general features of the dialogical framework defended by Peil, we do not see any reference to Vivienne Brown's *Adam Smith's Discourse*. If I do not share this methodological approach, I am convinced that Brown not only consistently defines her dialogical framework, but also sheds more light on our understanding of Smith and the Stoics. Peil's reinterpretation of Smith's market mechanism underpinned by the inherently social intersubjectivity of sympathy is his main contribution. However, I have the feeling that Peil, knowledgeable though he is, strives to say too much. The book is full of sharp insights that one would like to see developed further. Often, the reader has to go through some lengthy quotes, but the style is quite lively when we hear from the author himself. Peil's criticisms are well taken and very valuable. In answering the question 'How can Smith's text help us to better understand the idea of the free market today?' (p. ix) the author certainly shows us how it cannot help us. Whether the book sheds further light to our understanding of Smith and his context, the answer is clear: it is finally the reader, through the act of reading in a dialogical interplay with the author, who will have the final word.

Leonidas Montes  
King's College, Cambridge

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Winch, D. (1997). 'Adam Smith's Problems and Ours', *Scottish Journal of Political Economy*, vol. 44, no. 4.

EAEPE is affiliated to The International Confederation of Associations for Pluralism in Economics [ICAPE] an organisation which carries invaluable information about organisations, conferences, journals, etc.

ICAPE's Statement of Purpose There presently exists a number of societies and associations of economists and other social scientists, all of which are united by their concern about the theoretical and practical limitations of neoclassical economics. In addition, they share the conviction that the current dominance of the subject by mainstream economics threatens academic freedom and is contrary to the norm of methodological pluralism. Furthermore, this dominance is highly detrimental to scientific creativity and debate, and to the development of realistic, innovative, and useful economic analysis and relevant policies.

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 plu-

ralism 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.



ICAPE 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 behavior.

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## Programmes

### Interdisciplinary Doctoral Program in Economics

The Economics Department at University of Missouri-Kansas City offers Graduate programs that emphasize an interdisciplinary, heterodox approach to economics. Thus side by side with standard economic theory and an empirical orientation, UMKC offers courses in Institutional, Post Keynesian, and other Heterodox economics. The Department of Economics offers an Interdisciplinary Ph.D. program that spans traditional boundaries among disciplines. Our goal is to help students develop knowledge and skills for independent research on fundamental questions of the present and the future. The M.A. program provides students with a grounding in theory, including Institutional and Post Keynesian theory, applied research, and policy analysis.

Applications for admission to the M.A. program are accepted at any time. The deadline for receipt of completed applications for the Ph.D. is February 15 for the Fall semester and October 30 for the Winter semester.

Several Graduate Assistantships and Fellowships, as well as other forms of Financial Aid, are available through the Department and Graduate School. Students apply directly to the Department.

#### Ph.D. Fields of Specialization

Economic Theory' Financial Theory, Monetary Theory, Industrial Organization, History of Economic Thought, Economic Methodology, Human Resources, Health Economics

#### Social Science Consortium

The Department is home to the Social Science Consortium. The SSC is an innovative interdisciplinary component of the Ph.D. program. It covers philosophy, methods, and theories in the social sciences.

#### Center for Full Employment and Price Stability

The Center is a national policy center, producing original research and sponsoring national workshops on the use of full employment policies to achieve stable economic growth and price stability.

#### For Application Information Contact

Professor Jim Sturgeon, Graduate Advisor, Department of Economics, University of Missouri-Kansas City, 5100 Rockhill Road, Kansas City, Missouri 64110  
e-mail: [sturgeonj@umkc.edu](mailto:sturgeonj@umkc.edu)  
phone: 816-235-1314

Application forms and other information are also at our Web Site:  
<http://iml.umkc.edu/econ>

### DOCTORAL PROGRAM IN ECONOMICS AND MANAGEMENT

The Ph.D in Economics and Management is a three-year program of advanced teaching and supervised research offered by an international Faculty composed of both permanent staff of the School and a large group of Visiting Scholars.

The Program is part of a European network - involving

the University of Strasbourg, Sussex, Alborg, Manchester, Paris XIII, Madrid (Carlos III), Oslo and, in Italy, the University of Trento (with which this program has also a consortium agreement), supporting inter-European exchanges of research students and faculty.

#### MAIN AREAS OF RESEARCH

Main areas of research of internal and/or associated faculty where thesis work is also encouraged, include Economics and Management of Innovation, Models and Empirical Studies of Industrial and Economic Dynamics, Organisation Theory, Economics of Public Goods, Theory and Empirics of Real and Financial Markets, Experimental Economics and Computational Economics (both in association with the University of Trento), Economics of Health.

Also on the ground of their choices among optional modules and of the research topics, candidates may opt either for training paths finalized mainly to scientific research or aimed also at the acquisition of skills for the management of corporate and public organisations.

#### ADMISSION

Applicants must hold an Italian "laurea" or equivalent foreign degrees (M.A and M.Sc. in the Anglosaxon system, DEA in France, etc.), or plan to be awarded such a degree not later than 28th of July 2000 and communicate it to the School (also by fax at the number +39-050-883250 or E-mail at the address: [infostudenti@sss.it](mailto:infostudenti@sss.it)) by the 31st of July, 2000.

Applications shall be sent to: The Director, Sant'Anna School of Advanced Studies, Doctoral Program in E&M, Via Caracci, 40, 56127 Pisa - Italy

### International Doctoral Programme in Economics, Management and History

Erasmus Center for History in Management and Economics (CHIMES) and Erasmus Research Institute in Management offer a four-year international PhD program in Economics, Management and History.

The mission of the Ph.D. program is to train future generations of international researchers in the field of economics, management and history. Ph.D. candidates follow a customized and state of the art course program, which fits their academic background and CHIMES's research program. During the project, each candidate is coached intensively by senior CHIMES fellows and by co-supervisors from our international scientific network. PhD Projects in Economics, Management and History at CHIMES cover a variety of themes, such as

- Business history and organizational behavior.
- The role of business institutions in economic development.
- The pattern of breaking routines with entrepreneurial innovations.
- Business enterprises as vehicles of economic and management thought.

Please contact Ms Annette Bartels for more information on CHIMES at [abartels@fbk.eur.nl](mailto:abartels@fbk.eur.nl) or <http://www.chimes.nl>

Erasmus Center for History in  
Management and Economics  
Erasmus University Rotterdam  
Rotterdam School of Management  
P.O. Box 1738  
3000 DR Rotterdam, The Netherlands

## Call for Papers

### Institutionalism in Economics and Sociology

#### Variety, Dialogue and Future Challenges

23-25 May, 2002, Rungstedgaard, Denmark

In recent years, various strands of institutional theory have emerged within the social science disciplines. The aim of the conference is to contribute to the further development of institutional theory (with particular emphasis on contributions from economics and sociology) through a dialogue between different approaches.

Contributions from the following approaches and traditions are particularly welcome: new institutional economics, "old" or original institutional economics, new economic sociology, new institutionalism in sociology and organization theory, and historical institutionalism. Papers with reviews and/or discussions of two or more institutional approaches are welcome. Also papers with institutional analyses of joint themes, problems and future challenges common for two or more of the different institutional approaches are welcome. In the context of the conference, the following such themes are considered particularly relevant:

- Uncertainty and ambiguity; mental models and institutions
- Social capital, trust and networks
- Knowledge, learning and institutions
- Cognitive processes, values and institutional change

The conference organizer is Professor Klaus Nielsen. The deadline for abstracts is **18 March 2002**. Further information about the conference is available at <http://www.ssc.ruc.dk/institutional/>

### ***4th ANNUAL CONFERENCE OF THE ASSOCIATION OF HETERODOX ECONOMICS 9-10 JULY 2002, Dublin, Republic of Ireland***

Branching out from its usual base in the UK, this year's heterodox conference will be held at Dublin City University. All economists are encouraged to come together and hear a diversity of papers on topics not well represented in mainstream economics. Papers from a plurality of perspectives and topic areas are encouraged. Please send copies of a 250 word abstract for your proposed paper (one per person) to: Avis Lexton, Faculty of Social Sciences, The Open University, Walton Hall, Milton Keynes, MK7 6AA UK. Or email: [a.lexton@open.ac.uk](mailto:a.lexton@open.ac.uk) as the initial point of contact

**Deadline for submission:** 30<sup>th</sup> January 2002

**Conference fee:** £40 (and £15 for post-graduate students)

**Format:** The Conference will take place over two days, with four parallel tracks and two plenary sessions.

**Information:** [www.hetecon.com](http://www.hetecon.com)

### **Economic Policies: Perspectives from the Keynesian heterodoxy**

Organised by Centre d'Etudes Monétaires et Financières and Association pour le Développement des  
Etudes Keynésiennes

Université de Bourgogne - Dijon - France, 14, 15 and 16 November 2002

#### **Themes of Research:**

1. History of Economic Thought : the Keynesian Heterodoxy (the Monetary Reform, the Economic Policy of the General Theory, 'How to Pay for the War', the Gold Standard, ...)
2. Economic Policy : Perspectives on the Economy (Monetary -, Employment -, Income Policy, ...)
3. Economic Policy : Perspectives on Institutions and the Economic System (the Independence of the Central Bank, Exchange Rate Systems, Free Trade, Globalisation, ...)

Detailed proposals (2 pages ) written either in French or in English should be sent to C. Gnos (Cemf) preferably through e-mail—[claud.gnos@u-bourgogne.fr](mailto:claud.gnos@u-bourgogne.fr) - deadline for submission: **30 April 2002**.

*University of Missouri – Kansas City/The Center for Full Employment and Price Stability* and *The Journal of Post Keynesian Economics* are pleased to host:

**A. THE SEVENTH INTERNATIONAL POST KEYNESIAN WORKSHOP, JUNE 29 - JULY 3, 2002**

Organizing Theme: FIGHTING RECESSION IN A GLOBALIZED WORLD: PROBLEMS OF DEVELOPED AND DEVELOPING COUNTRIES

**Individual Paper Proposals.** If you have a copy of the paper, please send it to us so we can make a decision about whether it will be acceptable for the workshop. Abstracts can also be sent. Please limit the size of the paper to no more than 25 pages, double spaced. Those papers that have been accepted will be reproduced for each participant, as long as a final version of the paper is received by May 30, 2002. Papers longer than 25 pages, double spaced, will not be reproduced. Proposals should include the following information: Author: Mailing Address: Telephone: Fax: E-mail: Title of Paper: Abstract:

**Complete Panel Proposals.** Complete panel proposals are also invited. Panel proposals should include 3-4 papers, 1-2 discussants and a panel chair. Panel organizers should send a brief letter with the following information: 1) Title of panel; 2) List of Participants; 3) E-mail addresses for all panel participants. Each participant in the panel should also submit an individual proposal with the information listed above. All proposals will be reviewed by the program organizers Paul Davidson and Jan A. Kregel. Send proposals by E-mail or Snail Mail to Pavlina R. Tcherneva, Associate Director, Center for Full Employment and Price Stability – UMKC, Economics Department; 211 Haag Hall, 5100 Rockhill Road, Kansas City, MO 64110, USA. Tel.: 816.235.5835, Fax: 816.235.6558, Tchernevap@umkc.edu  
DEADLINE FOR PROPOSAL SUBMISSION: **JANUARY 31, 2002**

**B. THE SEVENTH INTERNATIONAL POST KEYNESIAN WORKSHOP  
SUMMER SCHOOL: JUNE 17 – 28, 2002**

As students around the world have awakened to the empty promise of mainstream economic curricula, the University of Missouri of Kansas City, the *Journal of Post Keynesian Economics*, and the Center for Full Employment and Price Stability have stepped up to the challenge to offer a summer school program that provides an alternative. The School will provide a rigorous training in both the theoretical and applied aspects of Post Keynesian economic theory. It will also deal with meaningful prescriptive policies relevant to REAL WORLD phenomena and, in the spirit of pluralism, will provide a forum for intellectual discourse that spans a variety of disciplines. The program is being organized by Professors Paul Davidson and Jan Kregel.

Admission is open to graduate students and recent Ph.D.'s. The Center for Full Employment and Price Stability (C-FEPS) has offered to provide a number of scholarships that will cover student tuition fees and room and board. C-FEPS will also make available a number of travel stipends that will cover a portion of the costs of travel to and from the workshop, if participants take advantage of advance airfare bookings.

Applicants should send four copies of: 1) Their CV, 2) 1-2 page statement of what each student hopes to get out of the Post Keynesian Summer School, and 3) a statement indicating familiarity with heterodox and Post Keynesian economics. These materials will serve as the application for both the summer school and for the travel stipends. In addition, students will have the opportunity to attend the Post Keynesian Conference, immediately following the Summer School (at a reduced cost).

Please, send the materials to Pavlina R. Tcherneva at the address over. A committee of representatives of the *Journal of Post Keynesian Economics* and UMKC's Economics Department will screen all applicants and notify participants no later than March 15, 2002.

SUMMER SCHOOL APPLICATION SUBMISSION DEADLINE: **FEBRUARY 15, 2002**

**The International Confederation of Associations for Pluralism in Economics  
(ICAPE) announces its first conference on**

**THE FUTURE OF HETERODOX ECONOMICS**

**5 – 7 June 2003, University of Missouri at Kansas City, USA**

Founded in 1993, ICAPE is a consortium of 40 organizations working cooperatively to foster pluralism in the analytical perspectives, methods, policy discourse, and education of professional economists. Now, almost ten years on, ICAPE is sponsoring its first conference: on the future of heterodox economics around the world.

We seek proposals offering fresh perspectives on heterodox economic theory, economic policy, and economic pedagogy at the graduate and undergraduate levels. We especially encourage efforts to integrate heretofore separate strands of thought, including (but not limited to) Austrian Economics, Black Political Economy, Evolutionary Economics, Feminist Economics, Georgist Economics, Historical Economics, Institutionalism, Marxism, Post Keynesian Economics, Postmodern Economics, Postcolonial Economics, Social Economics, and Sraffian Economics.

Please send proposals to Rob Garnett, Department of Economics, Box 298510, Texas Christian University, Fort Worth, TX 76129, or to [r.garnett@tcu.edu](mailto:r.garnett@tcu.edu). Each proposal must include:

- paper title and 250-word abstract
- author's name and mailing address
- author's ICAPE affiliation, if any.

Proposal deadline: October 1, 2002

Notification date: November 15, 2002

The conference fee is \$120 (including lunches, tea/coffee/juice, and a conference dinner) and is payable upon acceptance of your proposal. No fee is required to submit a proposal.

**Empirical research on routines in business and economics:  
Towards a research program**

University of Southern Denmark, Odense. Department of Marketing  
3-4 November 2002

The conference Empirical Research on Routines in Business and Economics – Towards a Research Program, to be held in Odense, is the first open conference focused entirely on routines. It has the goal of significantly advancing the further development and clarification of the concept of 'routines', such that it can be applied better and with more explanatory power in empirical research in economics, business and marketing. The conference invites intense interchange between some of the leading experts on routines, and economists, strategy-, business- and marketing-researchers who are interested in applying the concept of routines in their research. The general conference theme has been divided into the following tracks, each chaired by an invited distinguished researcher in this area:

Track A: Where do we stand? – Taking stock

Track B: Which avenues are there for advancing empirical research on routines? – Mapping paths on the research agenda

Track C: What has to be put in place to advance empirical research on routines? – Identifying elements of the research agenda

**Submission Guidelines and Requirements**

The conference Empirical research on routines in business and economics: Towards a research program conference – organized by Markus Becker, University of Southern Denmark, Odense, and Nathalie Lazaric, LATAPSES, Sophia-Antipolis – invites you to submit proposals for papers which relate to our three conference tracks.

Proposals must be submitted before 1 July 2002. Proposals should be single-spaced, 12-point font and no more than two pages. Submissions to the organizing committee should be by email to [mab@sam.sdu.dk](mailto:mab@sam.sdu.dk). Confirmation of receipt will be sent electronically. Notifications of the review committee decisions will be sent electronically by 15 September 2002, and full papers should be submitted by 30 October 2002.

Further information: Markus Becker, Department of Marketing, University of Southern Denmark, Campusvej 55, DK-5230 Odense M, Denmark, [mab@sam.sdu.dk](mailto:mab@sam.sdu.dk)

## **CALL FOR PAPERS**

### **INTERNATIONAL NETWORK FOR ECONOMIC METHOD BIENNIAL CONFERENCE**

*1-2 September 2002*

<http://www.econmethodology.org>

### **UK HISTORY OF ECONOMIC THOUGHT ANNUAL CONFERENCE**

*2-4 September 2002*

<http://www.ecn.bris.ac.uk/het/2002/call.htm>

## **UNIVERSITY OF STIRLING**

Papers are invited in all areas of economic methodology for the biennial INEM Conference, and in all areas of history of economic thought for the annual UK History of Economic Thought Conference to be held at the University of Stirling, Scotland (<http://www.stir.ac.uk/>)

Could prospective contributors please submit a title and a 300 word  
**Abstract** to the conferences' organiser by **end February 2002**

A range of conference accommodation is available on campus (<http://www.conferences.stir.ac.uk/>)

## **CONFERENCE ORGANISER**

Professor Sheila Dow, Chair, INEM, Department of Economics, University of Stirling, Stirling FK9  
4LA, Scotland, UK

Tel: +44(0) 1786 467474, Fax: +44(0) 1786 467469, e-mail: [s.c.dow@stir.ac.uk](mailto:s.c.dow@stir.ac.uk)

## **Towards a New Political Economy of Development: Globalisation and Governance 4th to 6th July 2002**

### **Call for Papers**

We used to understand what development was about. Before the crisis in development studies, researchers worked within the secure boundaries of the nation-state and aggregate socioeconomic indices. But whilst many areas of international political economy have flourished in the uncertain waters of 'globalisation', concepts and analyses of development have remained tentative: unsure of their theoretical origins or their place in the broader research terrain. This conference will establish the beginnings of a rethinking of the notion of development, focussed on the significance of development to a full understanding of the international political economy of globalisation. In exploring the inter-relations between understandings of development and globalisation, we must bear in mind that 'globalisation' is not a given which heralds the end of national political and economic strategies, progressive social change, or political struggle. A new political economy of development must go beyond the glib associations of development with the strong undertow of market liberalisation that many powerful agencies pursue within strategies of global transformation.

The call for papers closes at the beginning of March 2002.

See <http://www.shef.ac.uk/~perc/dev/> for details

Contact details are: Sylvia McColm, Political Economy Research Centre, University of Sheffield, Sheffield, S10 2TY. email: [mccolm@sheffield.ac.uk](mailto:mccolm@sheffield.ac.uk)

## Journals with Reduced-Rate Subscriptions for EAEPE Members

### 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

An interdisciplinary journal committed to the study of corporate and industrial change, drawing from disciplines such as economics, sociology, organisation theory, political science, and social psychology.

Topics covered include: internal structures of firms, history of technologies, evolution of industries, nature of competition, decision rules and strategies, firms and their institutional environment, management and workforce, performance of industries over time, labour process and organisation of production, relationships between and boundaries of organisations and markets, nature of the learning process underlying technological and organisational change.

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### International Review of Applied Economics

*IRAE* is devoted to practical applications of economic ideas. It embraces empirical work and the application of economics to the evaluation and development of economic policies. The interaction between empirical work and economic policy is an important feature of the journal.

The journal is international in scope. Articles that draw lessons

from the experience of one country for the benefit of others, or make cross-country comparisons are particularly welcomed. Contributions which discuss policy issues from theoretical positions neglected in other journals are also encouraged. Malcolm Sawyer is the editor of the *IRAE* at the School of Business and Economic Studies, University of Leeds, Leeds LS2 9JT, UK. Tel: (44) 1532 334484. Email: mcs@bes.leeds.ac.uk

**EAEPE members are entitled to a 55% discount.** The reduced rate is £23/\$42 (normally £52/\$90). Contact: Carfax Publishing Company, PO Box 25, Abingdon, Oxfordshire OX14 3UE, UK. Tel: (44) 1235 401 000. Fax: (44) 1235 401 550.

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- \* examines the shift from a national to a transnational economic system, involving global finance and production
- \* promotes the study of development trajectories, local and national, in all parts of the world.

On editorial matters, contact: The Editors, *RIPE*, Room E417, School of Social Sciences, University of Sussex, Falmer, Brighton BN1 9QN. Email: ripe@sussex.ac.uk. Tel: (44) 01273 678 064.

**EAEPE members are entitled to a 45% discount.** The reduced rate is £22/\$28 (normally £40/\$60). Contact: Routledge Subscriptions, ITPS Ltd., Cheriton House, North Way, Andover SP10 5BE, UK. Tel: (44) 1264 332 424. Fax: (44) 1264 364 418.

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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, 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 2002 issue is 1st of May.** *Gráinne Collins*



# NEWSLETTER

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## Special points of interest:

- Details of the Aix conference
- Details of Kapp, Myrdal and Simon prize competitions
- EAEPE and the net
- Book reviews
- Conference calls

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## EAEPE 2002 Conference: Complexity and the Economy Implications for Economic Policy 7<sup>th</sup>-10<sup>th</sup> of November, Aix-en-Provence, France

The next EAEPE conference will focus on one of the most challenging topics of modern social sciences – the analysis of complexity and the economy, and its implications for economic policy. It will provide a unique opportunity to discuss the insights, strengths and weaknesses of various approaches to complexity, especially with respect to their implications for action and economic policy. What are the different approaches to complexity? Is there a complexity perspective common to these approaches? What difference does a complexity perspective make for economic policy comparatively to a non-complex view? Do different complexity approaches have different implications for economic policy?

Besides the plenary sessions this theme will be central to a number of parallel sessions through sessions on complexity and conceptual issues, economic change, institutional change, the 'new economy', theory and policy, the firm

and organisation, and post socialist economies. Other parallel sessions will deal with rationality and explanation, the economic role of the state, public goods, evolutionary theory, credit and finance, labour, technical change and innovation, the information economy, development and globalisation, the need for a different economics and historical time.

Several parallel sessions are organised by Research Area Coordinators through specific calls for papers. These sessions include topics such as modelling interactions, network morphogenesis, monetary and financial economics, the culture and the ideology of globalisation, economic history, the institutional history of economics, the rhetorics of accountability in the new growth regime and a young scholar special session. Young authors are especially invited to notice the 2002 Herbert Simon Young Scholar Prize announcement, inside this newsletter.

Robert Delorme

### Kapp, Myrdal and Simon Prizes

The 2002 K. William Kapp Prize will be awarded to Yadira Gonzalez de Lara for the paper *Institutions for Contract Enforcement and Risk-sharing: From Debt to Equity in Late Medieval Venice*.

The 2002 Myrdal Prize will be awarded to Phillip Anthony O'Hara for *Marx, Veblen, and Contemporary Institutional Political Economy: Principles and Unstable Dynamics of Capitalism*. See the book review on page 20.

The Herbert Simon Young Scholar Prize was awarded in Siena for the first time to Jan Schnellenbach for his paper *Model Uncertainty and the Rationality of Economic Policy: An Evolutionary Approach*.