

European Association for Evolutionary Political Economy **NEWSLETTER**

No 8

July 1992

The Emergence of Institutional and Evolutionary Economics in Europe

Award of 1992 Kapp and Myrdal Prizes

1992 will be remembered as the year of implementation of the so-called single market in the European Community, and also perhaps the year when the stark realities of economic transformation away from state socialist in Europe have become apparent. It also marks a year of significant development for EAEPE. In its four years of existence, EAEPE has grown both quantitatively and qualitatively, far beyond the expectations of its original founders.

Quantitatively, EAEPE membership is now well above the 500 level. As well as being a significant watershed in itself, the Association now rivals most other international associations of similar scope, and is only about 100 members less than the Association for Evolutionary Economics, the organisation of American institutionalists.

As a result, 1993 may not only see big steps towards European unification but also a shift in the centre of gravity of institutional and evolutionary economics towards the European arena. Institutionalism was born in America at the start of the twentieth century. By the beginning of the twenty-first it may at last become fully established in the European continent.

There has also been a qualitative change in the activities of the Association. In particular, 1992 marks the first year of award of the Gunnar Myrdal and K. William Kapp prizes by EAEPE. Both awards will take place at the EAEPE conference in Paris, France, on 4-6 November 1992.

The **1992 Myrdal Prize** (£1000) will be awarded jointly to: Len Doyal and Ian Gough for their book *A Theory of Human Need* (Macmillan, 1991), and to

Mario Morroni for his book *Production Process and Technical Change* (Cambridge University Press, forthcoming).

The **1992 Kapp Prize** (£1000) will be awarded to: Ulrich Witt for his essay 'Innovations, Externalities and the Indeterminateness of Progress'.

The submissions were judged by the EAEPE Steering Committee, with the assistance of the K. William Kapp foundation. The committee was very impressed by the overall standard of the submissions. The high quality is itself indicative of a major shift towards institutional and evolutionary approaches in Europe. The unsuccessful submissions covered a wide variety of topics including long waves, comparative economic systems, macroeconomic theory, evolutionary dynamics, hierarchies and the firm, financial structures, capital markets, the macroeconomics of energy savings, economic growth, industrial development, national systems of innovation, wage bargaining, collective choice and other topics.

Details of the 1993 Myrdal and Kapp prize competitions are given on page 4.

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The EAEPE Newsletter can include reports of current and proposed research and short articles of interest to EAEPE members, as well as news and other items. Please send material to Michael Dietrich, EAEPE Newsletter Editor, Sheffield University Management School, Crookesmoor Building, Sheffield S10 1FL, UK. If possible, material should be submitted on a (returnable) DOS formatted floppy disc either in ASCII or Microsoft WORD. Contributions will not be refereed, but the Editor reserves the right to decide what is to be accepted. The Newsletter was designed and typeset from a PC disc by Roger Booth Associates and printed by Tyneside Free Press.

EAEPE NEWS

EAEPE 1992 CONFERENCE

Main theme: 'Structural Change and the Regulation of Economic Systems: Integration, Disintegration, Globalization'

Ministère de la Recherche et de la Technologie, Rue Descartes, Paris, France.

4th-6th November 1992

Capitalism is an integrated global system, now extending its reach into the former Eastern Bloc. Transnational companies have become increasingly prominent and substantially beyond the influence of national governments. Financial markets have become truly global, regulating flows of investment across the entire world system. Meanwhile, there is increasing integration at the political level, in Europe, the Americas, and in the Far East. The national economy is no more, and the nation state is being challenged by the processes of globalization, by the development of local economic networks, and by new local aspirations.

The 1992 EAEPE conference will highlight these vital issues. The languages of the conference will be English and French. Participants wishing to submit papers are invited to send a title with a 400-600 word abstract to the EAEPE Scientific Committee Convenor, Robert Delorme, CEPREMAP, 142 Rue du Chevaleret, 75013 Paris, France. Telephone (33) 1 40 77 84 43. Fax (33) 1 44 24 38 57. Priority will be given to abstracts submitted before 1st March 1992. If the paper can be fitted into the conference schedule then a final version will be requested by 30th August 1992 so that all papers can be mailed to participants before the conference.

The conference will be located at the Ministère de la Recherche et de la Technologie, Rue Descartes, Paris. The location is close to the Notre Dame. Conference registration will commence on the afternoon of 4th November and the conference will finish in the evening of 6th November. The conference fee is £80 and this includes the cost of the conference dinner on the 6th November. There is no rebate for those who do not wish to partake of the conference dinner and no other meals are included in the price. Furthermore, there is an additional charge of £20 for those who are not yet 1992 members of EAEPE, plus an addition of £20 for bookings received on or after July 1st.

All conference bookings and fees should be sent to the EAEPE Conference Secretary at the Department of Economics and Government, University of Northumbria at Newcastle, Newcastle upon Tyne NE1 8ST, United Kingdom; telephone (44) 091 235 8281, fax (44) 091 235 8654 or 091 235 8017 or 091 235 8558. Payments may be made over the telephone by credit card.

Please note that delegates must be registered by mid-September at the University of Northumbria at Newcastle office in order to receive advance copies of the conference papers.

The conference fee does not include accommodation. Hotel bookings are the responsibility of delegates themselves. However, the EAEPE Conference Organiser, Robert Delorme, will be pleased to supply information on hotel

accommodation. He may be contacted at CEPREMAP, 142 Rue du Chevaleret, 75013 Paris, France. His work telephone is (33) 1 40 77 84 43, fax (33) 1 44 24 38 57. There are many hotels in close proximity to the conference venue.

The conference is organised with the assistance of CEPREMAP, Paris, and University of Northumbria at Newcastle, UK. Applications for further financial support are in progress.

The Foundation for European Economic Development (FEED) has agreed to sponsor the conference. It will set aside and administer a Conference Assistance Fund for EAEPE conference delegates who are unable to obtain adequate support from their own institution. Applications for financial assistance should be sent as soon as possible to the Secretary of FEED, Dr Andrew Tylecote, School of Management and Economic Studies, University of Sheffield, Conduit Road, Sheffield S10 1FL, United Kingdom; telephone (44) 0742 768 555. Fax (44) 0742 725103.

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(1992 Conference bookings should be sent to the General Secretary at University of Northumbria at Newcastle, abstracts and papers to the Conference Organiser.)

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(There is one vacancy on the 1992 Steering Committee)

EAEPE 1992 Scientific Committee:

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FEED NAMES AND ADDRESSES

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

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FEED BOARD OF TRUSTEES:

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

1992 EAEPE MEMBERS' MEETING IN PARIS

An EAEPE Members' Meeting has been called at the Ministry of Research and Technology, Amphithéâtre Descartes, Paris, France, on the late afternoon of Thursday 5th November 1992.

1992 EAEPE STEERING COMMITTEE MEETING

The following Steering Committee meetings will be held at CEPREMAP, 142 Rue du Chevaleret, Paris.

17.00hrs, 4th November 1992 (following a meeting of FEED trustees at 16.00).

and

10.00hrs, 7th November 1992 (Continuation of Meeting of 4th)

1993 STEERING COMMITTEE ELECTION

The Steering Committee have called a General Election of the entire Steering Committee and Secretariat for 1993. All 1992 members of EAEPE are welcome to stand for any position. The following timetable and conditions will apply:

7th Sep 1992:	deadline for nominations
11th Sep 1992:	circulation of ballots
19th Oct 1992:	due date for return of ballots
1st Dec 1992:	inauguration of new Steering Committee

Nominations must be in writing and signed by the nominee. They must be accompanied by information on country of residence, institutional affiliation and position(s) for which election is being sought. In addition, the candidate is requested to submit an election statement of no more than 100 words.

1993 PRIZE COMPETITIONS

Entries for the 1993 Kapp and Myrdal competitions are now welcome:

K. William Kapp Prize

Amount: £1000 (half funded by the William Kapp foundation). Awarded annually for the best article unpublished at the time of the award on a theme broadly in accord with the EAEPE Theoretical Perspectives (minimum 5,000, maximum 12,000 words).

Gunnar Myrdal Prize

Amount: £1000 (all funded by EAEPE). Awarded annually for the best published or unpublished monograph (i.e. a book) on a theme broadly in accord with the EAEPE Theoretical Perspectives.

The deadline for receipt of each prize is 1st February 1993. Entries should be sent to the EAEPE General Secretary, Geoffrey M. Hodgson, Department of Economics and Government, University of Northumbria at Newcastle, Newcastle upon Tyne NE1 8ST, UK. Three non-returnable copies of each entry must be submitted. Awards of the 1993 prizes will be made at the 1993 Conference in Barcelona, Spain.

All candidates shall be paid-up 1993 members of EAEPE. The Steering Committee will judge both prizes in February-March 1993. The Kapp Foundation will assist in the judging of the Kapp Prize. Any member of the EAEPE Steering Committee or trustee of the Foundation for European Economic Development serving at any time from February 1992 to February 1993 inclusive shall be ineligible to submit an entry. The EAEPE Steering Committee reserves the right not to award a prize if the entries are below the required quality.

EAEPE PUBLICATIONS

In collaboration with Edward Elgar Publishing, EAEPE is proud to announce the publication two volumes of selected conference papers from the 1990 conference. These volumes are titled *Rethinking Economics: Markets, Technology and Economic Evolution*, edited by Geoff Hodgson and Ernesto Screpanti, and *Towards a New Europe? Structural Change in the European Economy*, edited by Ash Amin and Mike Dietrich.

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

In addition, a volume of selected conference papers from the 1991 conference is under preparation, edited by Wolfgang Blaas and John Foster. Royalties for both the 1990 and the 1991 conference volumes will be paid to EAEPE.

Also a *Handbook of Institutional and Evolutionary Economics* is being prepared, edited by Warren Samuels, Geoff Hodgson and Marc Tool. This work will also be published by Edward Elgar. Royalties will be divided equally between EAEPE and the USA-based Association for Evolutionary Economics.

Thorstein Veblen THE PLACE OF SCIENCE IN MODERN CIVILIZATION

Reprinted with a new introduction by Warren J. Samuels
Published by Transaction Books, 1990.
For sale to EAEPE members at £10 each.

By agreement with Transaction Books, EAEPE is pleased to offer discount copies of this classic volume. *The offer is open to currently paid-up EAEPE members only.* The price includes postage and packing. *The full pre-payment of £10 is required,* either in Sterling cash, or with a Sterling cheque drawn on an UK bank, or by credit card (Mastercard/Access/Visa/Eurocard). Credit card orders may be made by telephone (091 235 8281). Please allow up to 6 weeks, depending on local postage services, for delivery.

In addition, a number of copies are available free of charge for accredited university libraries in Albania, Bulgaria, Czechoslovakia, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, the USSR and Yugoslavia. This offer is limited and subject to our resources and discretion.

Thorstein Veblen's *The Place of Science in Modern Civilization* is a major institutionalist classic and has long been unavailable, especially in Europe. Although it is a collection of essays rather than an integrated volume, it is probably Veblen's greatest and most important book.

YOU CAN NOW PAY BY CREDIT CARD!

Transactions across national currency boundaries are inconvenient, uncertain and costly. For the convenience of EAEPE members, payments may now be made by Access/MasterCard/Visa/Eurocard. Simply telephone 091 235 8281 in the UK, with your card number and expiry date. Alternatively, you can notify the EAEPE Newcastle office by post with the same information.

AN EAEPE SCIENTIFIC DEVELOPMENT PLAN FOR THE 1990S

At its November 1991 Steering Committee, a Provisional Scientific Plan for EAEPE was agreed. The Steering Committee welcomes comments from EAEPE members on the contents of the plan, and invites further volunteers for the posts of 'Research Area Coordinator', explained below.

The current designated priority Research Areas are as follows:

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

Coordinator: Post Vacant.

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

Coordinator: Post Vacant.

Research Area C: The Theory of Institutional Change

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

Research Area D: The Theory of Innovation and Technological Change

997 Coordinators: Pier Paolo Saviotti (University of Manchester, UK) and Andrew Tylecote (University of Sheffield, UK).

Research Area E: The Theory of Firms and Production Processes

Coordinator: Post Vacant.

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

Coordinator: Post Vacant.

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

Coordinator: Post Vacant.
Research Area H: The Theory of Macroeconomic Development and Crises

Coordinator: Post Vacant.
Research Area I: The Analysis of Structural and Institutional Change in Eastern Europe

Coordinator: Post Vacant.

Research Area Coordinators are encouraged to:

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

Each year after appointment, each RAC is asked to submit a Research Area Report, of no less than 2000 words, on the annual progress of work in the Research Area to the EAEPE Steering Committee. A token annual grant of a minimum of £100 will be awarded to each RAC, subject to the following conditions:

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

In addition, the above nine Research Areas will be reflected in the EAEPE annual conference programme.

OBITUARIES

Dudley Dillard 1914-1991.

Eu Dudley Dillard, longtime Professor of Economics at the University of Maryland, dies on August 26, 1991. He was 77. Professor Dillard's illustrious career in economics spanned four major fields: Keynesian Economics, the History of Economic Thought, Economic History, and Institutional Economics. A generation of American economists were introduced to Keynes through his classic *The Economics of John Maynard Keynes*. His monumental *The Economic Development of the North Atlantic Community* is a history of capitalism in the western world, reflecting his abiding interest in evolutionary economics. It was the latter which led to his involvement in Institutional Economics. He served as President of the Association for Evolutionary Economics, receiving the association's coveted Veblen-Commons award in 1986. A past President of the Southern Economics Association, he was elected President of the History of Economics Society in 1991. He was on the faculty at the University of Maryland from 1942 to his retirement in 1984, serving as Chair of the Department of Economics from 1952 to 1975. The University awarded him post humously its Presidential Medal.

Wallace C Peterson, University of Nebraska, USA.

George Shackle 1903-1992.

George Shackle, eminent economist and Honorary President of EAEPE, died aged 88 on March 3 1992. He made important contributions to a number of areas such as decision-making, business cycle theory, entrepreneurship and Keynesian theory. Although an accomplished mathematician he deployed these skills sparingly. He was critical of much of the formal, mechanical techniques that currently dominate economics. He preferred the approach of the rhetorician who "employs reason and appeals to logic, but he is a user of language at its full compass, where words are fingers touching the keyboards of the hearer's mind". He achieved this with great success in his 17 books and nearly 100 articles. His writing style, especially his use of analogy, was a joy.

Early on, family finances forced him to take a series of office and teaching jobs. However, he found time to complete a London external degree in 1931. By now an interest in economics was established and when, in 1935, a Leverhulme Scholarship enabled him to begin a PhD at the LSE under Hayek, he seized the opportunity. He obtained his doctorate in 1937 and a year later it was published as his first book *Expectations, Investment and Income*. For the next two years he acted as Henry Phelps Brown's research assistant at Oxford.

A short interlude at St Andrew's was followed by 11 years in government service. He first worked for Lord Cherwell's S Branch and then with James Meade in the Economics Section of the Cabinet Office. In 1950 he became a Reader at Leeds University, but within a year was appointed to the Brunner Chair at Liverpool University where he remained until his "retirement" to his beloved Aldeburgh in 1969.

Arguably his most significant contribution to economic theory was his treatment of decision-making under conditions of uncertainty, first fully elaborated in *Expectation in Economics* (1949). Here he emphasised how many of the decisions we make cannot be reduced to simple actuarial computation. Rather they are unique and highly subjective. He developed a theory whereby decision-makers imagine possible rival outcomes, focusing ultimately upon the best and worst outcomes. And so scenario planning was born. He once told me that of all books, *Time in Economics* (1958) was his favourite. This contained a sophisticated critique of macro-econometric forecasting and, by implication, aspects of the then prevailing Keynesian orthodoxy. This was not well-

received in many quarters and for some years his work became unfashionable. However, recent scholarship on Keynes' own philosophical writings and the continued dismal record of forecasting have vindicated George's position.

His prolific writing in later years was due in no small measure to the support of his charming second wife, Catherine. It was her persistence that eventually led to George's debilitating food allergy, which threatened to curtail his activities, being correctly diagnosed and treated. As a result we were to enjoy such late delights as his collection of essays, *Business, Time and Thought* (1988). Recently there have been encouraging signs that a fresh generation of economists, frustrated with the dull formalism of much economic theory, are turning to George's work for succour. There are few better places to look than the eloquent writings of this warm, modest and delightful man.

John Pheby, Leicester Polytechnic, UK.

[This obituary previously appeared, in slightly different form, in *The Guardian* 5.3.92]

Editor: Set out below is an edited version of a letter received last November by Wolfgang Blaas (1991 EAEPE Conference Organiser) from an EAEPE member in the Department of Economics, University JJ Strossmayer of Osijek, Croatia apologising for not attending the 1991 Conference. Unfortunately I received it after the copy date for Newsletter 7, but the contents of the letter appear as relevant today as they were six months ago. I am sure the letter will be of interest to all EAEPE members.

Dear Dr Blaas,

[...] Last four months we live in shelters and cellars, hoping that somebody in the world will help us. More than ten thousand people are killed, there are already around 450 000 refugees, more than hundred of cultural monuments are destroyed or seriously damaged – the war is all around Croatia, there is no peace anywhere in Croatia. At that very moment Yugoslav Army are shooting on Dubrovnik, Vukovar (which is about 30 km from Osijek), even on civilian objects in Zagreb.

Osijek is especially damaged. The University JJ Strossmayer of Osijek (with 8000 students) is almost destroyed; Department of Agriculture and Department of Food Technology are completely destroyed through bombing. Department of Civil Engineering as well as Department of Economics and Department of Law are seriously damaged. Some of the lecturers are killed, as well as many students who were involved in this unfortunate and incredible war.

At this moment you are concerned with the evolution of mixed economies, but we in Croatia are forced to think about war type economy. I envy you, but also I am desperate and disappointed with the world's mechanisms. With so many beliefs we are waiting on the help of European Community, as well as anybody of the good will and understanding of our problems. But nothing happens. We are still in the midst of the war (and this war is in your neighbourhood) and we are crying and pleading for the help. I understand that we have to construct the compatible political system based on European democratic standards. We are trying to do this. But it takes time, and let me say that nobody help us in this process if the war will not be stopped. Yugoslav army and Serbian politicians are talking about their actions on the territory of Croatia as: "Yugoslav army fights in order to free Dubrovnik, Vokovar, Osijek ...". To free ... from whom? Dubrovnik, Vukovar and Osijek are in Croatia. It is incredible that

there are no efficient mechanisms in European Community to stop this madness. If you are getting this letter, I hope you will understand the urgency. This urgency has probably different meaning for you and us. You think in terms of weeks, months, or years. Now we have the problem – the war – which requires different meaning of urgency – we think in terms of hours.

[...] I hope that this war will end before the next EAEPE Conference. [...] On March 1, 1991 I sent the abstract of a proposal paper under the title: Chaos in Economic Thought & Economic Pluralism in Practice – the Case of Yugoslavia, where I wrote:

"... there remains the more difficult part of the process of establishing new economic system: construction of consistent political and economic system on the parameters of economic efficiency, humanity and political democracy. The question is whether Yugoslavia may withstand transactional costs of making new economic system under the conditions of unstable political circumstances, euphoric acceptance of economic fairy-tale concepts, and emotionally coloured political judgement of previous economic experience."

I was not able to finish my paper, but this war against Croatia is the most obvious proof that Yugoslavia as a whole were unable to construct consistent political and economic systems on the parameters of economic efficiency, humanity and political democracy, because of the absence of political democracy in Serbia. Unfortunately, transactional costs for Croatia are too high. We are praying for new political and economic system with our lives, with destroyed factories, schools, cultural monuments. Now we need humanitarian and political help, later – I think very soon, we will need experts' help in construction of our economic system based on ideas of mixed economies and efficient standards of developed economies. I hope the members of EAEPE will help us. But, if you can do anything in stopping the war please do it.

Hoping to see you on the next EAEPE Conference,
Your sincerely,
prof. dr. Slavica Singer-Kosanovic.

[...] my wishes now are to stop the war and to have the luck in sending this letter. I am writing this letter in the cellar of my house, and mortar shells are falling all around.

NATURAL CAPITAL: THE SOURCE OF DEVELOPMENT

Malcolm Slessor

The proliferation of societies and groups devoted to seeking a fresh approach to economics does suggest that something is wrong with the mainstream. The fact that this disquiet is arising from within the ranks of the economists and political economists is encouraging to those of us trained in other disciplines, who have long felt there was something not quite right; but we were too uneducated to see what. In any event any attempt to penetrate the close knit world of economists was only permitted on their terms, not ours.

In my own search for a new paradigm I have been led, inevitably, by the nature of my own education. As a student, taught the laws of thermodynamics from three different perspectives – chemistry, engineering and physics – I could not for the life of me see why we seemed so eager to dig out coal and oil as fast as possible. It seemed to me, from a purely thermodynamic standpoint, that a desirable policy would be to eke out these precious non-renewable energy resources as slowly as possible. Of course, I am older now, and I know more, and I realise that economics is a behavioural science, and not about the long term future. It is an optimistic profession. Recently this optimism has been compounded by the politicians as they embrace the chaos of the free market, dragging along Eastern Europe and other socialist states. Alas, these countries will wake up one day and find they are owned by some multi-national investment corporation!

My search for a new paradigm began to take shape when, as visiting professor at Cornell University in 1972 I had the opportunity to explore the energetics of food production globally. To my great surprise I found that there was a high degree of statistical correlation between the energy (natural capital) embodied in food production per unit area and the food yield per unit area, spread over 8 orders of magnitude of output intensity. About this time the Meadows group at MIT were launching the *Limits to Growth* study. I pointed out to them that the model had a fatal flaw, for it treated physical resources as finite, so that the model's outcome of growth and decline was inevitable. The only resources which are finite are fossil and fissile. Other physical resources are always accessible given adequate availability of energy. Three years later, stimulated by Georgescu-Roegen's entropy book we made a model around his proposition and we were able to show that the rate of growth in supply of energy to the world market was constrained to about 2% per annum, and that if the global economy was limited itself to fossil and thermal nuclear fuels, this would decline to zero by about 2015. That was in 1975. Sixteen years further research has revealed a much clearer picture of how the economy works. We analyse it by a procedure we call *Natural Capital Accounting*.

Natural capital is our global inheritance. In part it is the easily understood but only vaguely quantifiable concept known as the biosphere and in part it comprises the minerals within the Earth. It is through the process of depletion of Natural Capital that the human race has been able to create human-made capital. It is simple to construct an economic model of a national economy using this understanding and the

entropy concept put forward by Georgescu-Roegen. We must, however, differentiate between two essential types of natural capital: energy resources and the living biosphere. The latter we loosely call the *environment*. We are then able to focus on the basis of development. Clearly economic growth must be tempered to the desired level of development. Much depends on how we partition our wealth creation between investment and consumption. It can easily be shown that consumption can be at the detriment of human welfare.

An essential aspect of this approach is to quantify production in terms of natural capital consumption. From a thermodynamic point of view, production is a procedure in which chaos is reduced; order is increased. For example, a manufactured product like a motor vehicle is not wrought on one magic process, but is the result of fabricating many components which when assembled is a product capable of doing a job. *Chaos* in the form of many separate components has become *order* in the form of a vehicle.

We can step back further and consider the production of the components themselves. Perhaps iron ores converted to iron, then steel, then stamped into a usable form. Each stage is a reduction in relative chaos, an increase in order. Scientists call this a reduction in *entropy*. It may be computed with precision using the concept expressed in the Second Law of Thermodynamics, and the data to be found in physico-chemical tables. The Second Law may be stated as follows:

to achieve a reduction in entropy, somewhere else there has to be at least an equal increase in entropy.

In our present day world a huge proportion of that vital exchange comes through the application of non-renewable energy resources extracted from the Earth. Though we do capture renewable solar flux, mostly as photo-synthesis, extending this will require more human made capital.

Thus it is the extraction of natural capital in the form of energy resources that creates the human made capital stock that today drives the world's economic system. In principle we could create an economy totally driven by renewable energy systems, provided we were willing to divert enough human made capital to this purpose.

These concepts have been integrated into an ECCO (Enhancement of Capital Creation Options) approach. It is a computer based holistic procedure for assessing the long-term physical potential of economies in the context of user-defined policy and technology options. This is vital information, for that which is not physically possible cannot be economically feasible. ECCO generates information on the potential rate of economic growth and environmental impact that can result from a policy or technology development.

[Malcolm Slessor is a consultant in the field of development, energy analysis and human ecology and is an honorary member of the Institute for Ecology and Resource Management and the Centre for Human Ecology at the University of Edinburgh UK.]

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

E Matzner and W Streek (eds), *Beyond Keynesianism: the socio-economics of production and full employment*, Aldershot: Edward Elgar.

Reviewed by Malcolm Sawyer,
University of Leeds, UK.

This book consists of 11 papers selected from those presented at a conference held in July 1989 in Berlin to explore routes to full employment. It reports some of the work undertaken at the Labour Market and Employment unit of the Wissenschaftszentrum Berlin für Sozialforschung during the directorship of Egon Matzner in the period 1985 to 1990.

The policy shifts in many countries towards more emphasis on use of markets (whatever that may mean) and deregulation during the 1980s along with perceptions of problems with (is not the failure of) public ownership have caused much re-thinking amongst political economists. Similarly, the demise of Keynesianism (in academic discussion even though many countries ran much more substantial budget deficits after 1975 than before) and the rise and then fall of monetarism have necessitated a re-evaluation of the orthodoxies of the 1960s. This book is a significant contribution to that re-thinking and re-evaluation.

The opening chapter by the editors provides a general overview and introduction. They point out Keynesianism was based on a particular set of (generally implicit) assumptions on the nature of the economy, and many of those assumptions are no longer valid. The editors identify five conditions in the institutional structure which they argue Keynesians treated as given and unchangeable. The family structure is pictured in terms of money-earning father, with a wife not in the labour force and children, which means that definitions of labour supply and unemployment are unproblematic. The labour market is portrayed in a neo-classical form with flexible wages. The production side performed in a generally satisfactory manner without need for detailed public intervention provided that there was adequate competition. Government intervention was largely limited to monetary and fiscal policy. National economies were to a considerable degree closed off from the international environment. There is no doubt considerable room for debate as to whether Keynesians accepted all of these conditions and also whether they were ever fully valid. It is rather self-evident that the conditions no longer operate, even if much discussion in economic analysis proceeds as though they were.

The five papers in Parts 1 (On effective supply conditions) and 2 (On effective labour market and social policy) could be seen as contributing to the general topic of the analysis and conditions necessary for the effectiveness of the supply side of the economy. Many economists would still draw on general equilibrium analysis (or the equivalent) to tackle these issues but as expected that is not an acceptable route to the authors of these papers. Streek's paper is a major expression and development of the relevance of the social dimension of the supply-side. For an effective supply-side, there needs to be a much richer range of relationships between firms than the arms-length market ones with the social regulation of

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economic behaviour having a positive role to play.

The other papers in these parts are more empirically oriented with papers on a strategy for the sunset industrial areas (Gernot Grabher), on labour market policies in a range of countries (Gunther Schmid and Bernd Reissert), on the role of regulation of employment in West Germany (Christoph Buchtemann) and employment and industrial restructuring in the USA and West Germany (Eileen Appelbaum and Ronald Schettkat).

Part 3 contains four papers on effective demand conditions. Hansjorg Herr provides four case studies (Japan and West Germany in the years after 1975, France and the USA during the 1980s) on the effectiveness of fiscal policy and the external constraints on such policies. He argues that there is still some room for successful fiscal expansion in the right circumstances. Papers by Heinz-Peter Spahn and Jan Kregel are connected by discussion of the role of the D-mark but each covers a range of issues. Spahn outlines the causes of foreign exchange market instability leading into a consideration of the European Monetary System. He argues that the central problem of the EMS is Germany's attempt to combine its hard currency with real undervaluation of the D-mark, and he advocates a policy of appreciation of the D-mark. Kregel opens his paper by expressing reservations on Spahn's proposals through their impact on overall demand. Most of his paper discusses German monetary unification and concludes that excessive importance has been given "to the highly unlikely inflationary consequences of monetary unification" with a tendency to ignore "the potentially more positive benefits arising through the possible reduction of international trade imbalances". The final paper (Gerhard Hanappi and Michael Wagner) in this section is rather out of place though it deals with the important issue of employment growth and the speed of industrial innovation.

The final paper (and only content of part 4) by Egon Matzner returns to some of the major themes indicated above. The conclusions which he draws will come as no surprise to readers of this newsletter: institutions matter, complete laissez-faire has never and cannot exist and the task of research is to "explore the changing institutional and political preconditions which promote the functioning of markets in a socially acceptable way".

This volume makes two useful contributions. The empirical papers provide further evidence to undermine the laissez-faire position. The more theoretical papers add to the developing institutional oriented analyses of market economies.

Grahame Thompson, *The Political Economy of the New Right*, Pinter 1990.

Reviewed by Jim Tomlinson,
Brunel University, UK.

Grahame Thompson sets himself the ambitious task of outlining both the theoretical stance of the New Right on

economics, and relating this to recent economic policy and developments in the UK and, to a lesser extent, in the USA. Most of the book focuses on the more empirical economic developments and policy aspects, but this is interwoven with references to doctrinal developments. After outlining the broad features of New Right positions, successive chapters deal with "The Fear of Government", the UK's macroeconomic performance in the 1980s, the role and impact of the New Right in the USA, industrial policy in Britain, regulation and privatisation in the UK, and international political economy.

The framework deployed is broadly one of "rhetoric versus reason", where the theoretical claims of the New Right are matched against the realities of policy and performance. This involves giving a brief but clear cut "placing" of New Right doctrine both in relation to broader issues of social theory and of conventional economic theory. On the other side, a wealth of empirical material is deployed, ranging over most of the main economic issues at least in the UK. The broad thrust of the argument is to emphasise the large gap between rhetoric and reality and the rather limited achievements of the New Right either in terms of their advocacy being followed or, where to some extent it has been, the disappointing results which have followed. Thus Grahame emphasises the failure of the curious form of monetary targeting used in Britain in the early 1980s, but also the way in which this deviated from non-discretionary control of the money base advocated by New Right authors. More originally, he stresses the limits of "rolling back the state" not only measured by public expenditure levels but more intriguingly by the development of industrial intervention. He notes both the "regulatory bonanza" following privatisation, but also the continued role of government in traditional areas of industrial policy such as regional aid and investment subsidies. In the latter case, he argues, we should see no simple policy of withdrawal, but in fact a more intensive if less extensive scrutiny of, and influence on, industrial behaviour.

The approach of the book is not to counterpose another theoretical position to that of the New Right, but to apply a sceptical intelligence and an unintrusive sympathy with Left-Keynesianism to a complex of theoretical and empirical issues. One can regret some areas are relatively neglected, for example the role of the stock market or issues of income and wealth distribution, which are mentioned but where more detail would have been welcome. Also some of the discussion has been rendered out of date since the book was completed in mid-1989. However the period since then has in many ways justified Grahame's scepticism about how far policy has really been shifted by the New Right. With a Conservative government fighting an election on the basis of a fixed exchange rate, a massive expansion of public borrowing and seeming lack of concern with (narrow) money-supply figures, the triumphalism of the New Right of only a few years ago appears almost absurd. On the other hand, in other areas the New Right does seem to have clearly shifted the agenda – above all, as Grahame notes, almost all political forces now "positively engage" with the market. That seems likely, for good or ill, to be the most enduring legacy of the 1970s and 1980s style New Right.

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J Cornwall (ed), *The Capitalist Economies: prospects for the 1990s*, Edward Elgar, 1991.

Reviewed by Shaun P Hargreaves Heap,
University of East Anglia, UK.

Will the last decade of this century resemble the golden age of the 1950s and 60s or the tarnished years of the 1970s and 80s? This is the important question addressed by this book. A continuation of the recent relatively low growth and high unemployment rates is the verdict – no *fin de siècle* romps seem in prospect for us, I am afraid. Thus, the book serves to focus our minds admirably: we shall need to think seriously of ways to escape such a grim destiny.

The major source of the growth pessimism in Sundrum, W Cornwall and Helliwell and Chung is the interaction between the prevailing pattern of income elasticities of demand and the differing sectoral productivity growth rates. The result is a continuing shift of resources towards low productivity growth services (and the opportunities for OECD countries to escape from this process through the net export of manufactured goods diminishes daily with the growing competition from NICs). In addition, the potential for boosting growth *via* “catch-up” effects, which was important for many countries during the golden age, has all but vanished now. The only glimmer of hope comes from the influence which a fall in unemployment and a rise in capacity utilisation might have on growth. But this is quickly dashed as the next chapters turn to prospects for unemployment.

Solow and J Cornwall both work with models of hysteresis to explain why unemployment has risen and is unlikely to fall in EC countries. For Solow, it is the lack of domestic political concern with unemployment together with the move to a single currency in Europe (that ties all countries to German preferences/fears over inflation) which explains the poor prognosis. Whereas Cornwall argues that the institutions which were responsible for the golden age were undermined by the success of that period. Consequently, further institutional change is required now if the conditions for a new golden age are to be restored. Unfortunately, there are no signs that such change (primarily directed at facilitating the kind of social bargaining found in the successful EFTA countries) is on the political agenda of the poor performing countries.

The conclusions are largely supported by two chapters which look in detail at prospects in the US and the UK. Duesenberry argues that inflation is likely to constrain expansionary aggregate demand policies in the US, while Wells dissects the so called Thatcher miracle and finds that the British economy is as constrained as ever by poor performance in traded goods. Cooper is concerned more generally with the possible external constraints on growth in the world. He is, perhaps, the most optimistic contributor, finding that the US deficit can be sustained in the medium term and that there are signs of new collective leadership in the world. This is some consolation, but set against the findings of others, it hardly provides reason to celebrate the new millennium!

I hope I have conveyed that this is an impressive collection. It is well argued and I strongly recommend it. Nevertheless, I wonder if the prognosis (and the key this gives to policy) is always right. It is not so much that I disagree with what the

authors say, but there are some aspects of recent economic performance that are not discussed. For example, what about those who believe in long waves and who are more sanguine about the 1990s? On the other hand, what about the possible environmental constraints on growth? Likewise, while I am fully persuaded by the account of (and need for further) institutional change in labour markets, little is said here about the role of (and need for further) institutional change in financial markets. This is a pity because I suspect that the operation of capital markets (like labour markets) is central to understanding what has happened recently and will provide an equally important key for policy in the future.

F Pyker, G Beccatini and W Sengenberger (eds),
Industrial Districts and Inter-firm Co-operation in Italy, International Institute for Labour Studies, Geneva.

Reviewed by John Grahl, Queen Mary and
Westfield College, University of London, UK.

The title of this book may suggest that it is of interest only to specialists. It seems to me that the reverse is the case – that this is a very important book which deals with the most central questions of contemporary economic development. At issue are both the nature of restructuring processes in advanced economies and the political and social evaluation of this restructuring.

The case of Italian industry is particularly important because Italy has had a relatively good economic performance on the basis of small-scale enterprise, and this experience has suggested more general hypotheses about the decentralisation of production. An obvious pessimistic interpretation of the role of small business in Italy would refer to two factors. The first would be quite simply backwardness – the survival of obsolete technologies and pre-modern industrial structures, the second would be disorganisation in large-scale industry – big companies subcontracted much of their output to small ones to escape the pressures of organised labour, taxation and government regulation. From this point of view the exceptional role of small business would be temporary. The restoration of employers control in the large-scale sector would signal a return to more normal patterns of industrial change, centred on the big companies.

There is certainly more than a grain of truth in this pessimistic account, as several of the papers in this book show. Nevertheless the book exists because there is more to be said. First of all, Italian economic performance shows that small business can make a major contribution to international competitiveness. Italy is, after Germany, Europe's second biggest exporter of machine tools – most of them produced in small companies – which means that small does not always mean backward. Even where small Italian companies export more traditional goods – furniture, ceramics, fashion goods – these are of high quality, well adapted to consumer tastes and often produced by modern methods.

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Papers in this book explore and document some of the most important dimensions of Italy's small business success: firms which compete for customers can also co-operate in production and design; workers are not separated from managers and proprietors by the social gulf which often exists in Britain and the US; local authorities of both left and right have found useful ways to encourage small enterprise industries and to provide collective services for them.

There are many implications for the analysis and the formulation of economic policies. The most fundamental being the inextricable involvement of the economic and the social. The forms of organisation which are discussed are not purely instrumental; they also help to shape individual incentives and objectives and to provide common standards of achievement. In a period when the methodological individualism of orthodox economics is beginning to reveal its sterility and lack of explanatory power, it is fascinating to see how fruitful and enlightening even a relatively simple socio-economic model can be.

Nevertheless there are limits to the significance of this Italian experience which represents one variant of modern industrialism, rather than a completely different phenomenon. The views of Piore and Sabel, represented in this book, are well known in this respect – emphasising the development of

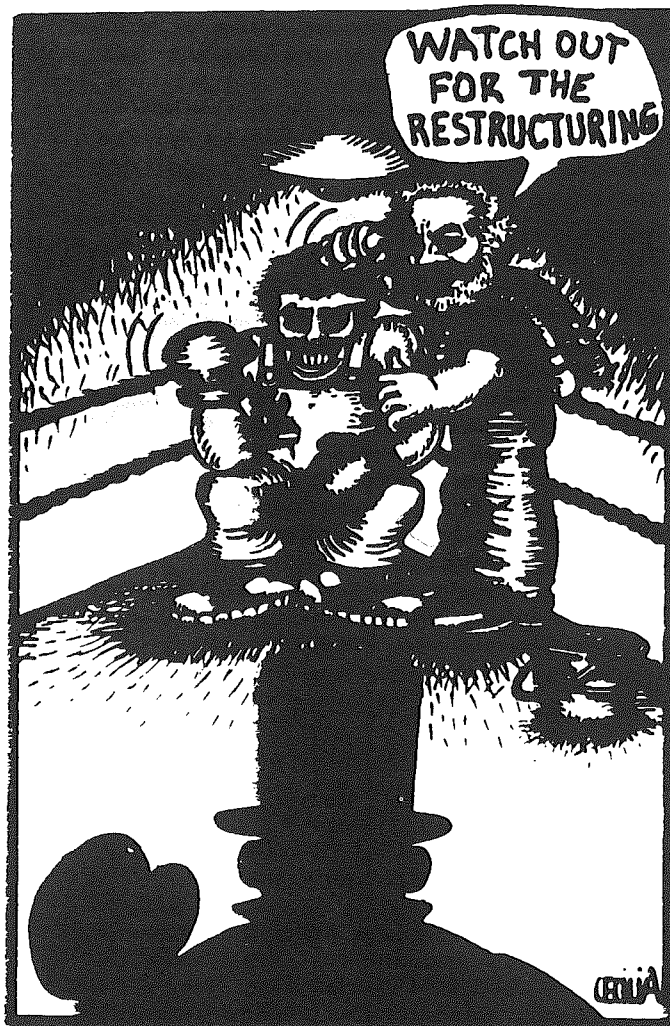
skill-based small-scale flexible units. In a scholarly survey of this position Amin and Roberts underline some of the weaknesses: continuity with the past rather than discrete change, restructuring in a global context. A debate around this paper closes the book. But another paper included here, by Piore himself, is perhaps almost as damaging to his own argument. He appeals to the work of Hannah Arendt as a framework for the interpretation of Italian industrial districts. From this point of view the economic content of the district virtually disappears, and with it the relevance which they could have to contemporary problems. It is certainly necessary to recognise the inseparability of the economic and the social. But, as this fascinating book itself illustrates, their interaction does not mean abandoning economic logic so much as replacing it in a definite social context.

BOOKS RECEIVED

L Doyal and I Gough, *A Theory of Human Need*, Macmillan, 1991.

G Capoklu, *Prices, Profits and Financial Structures: A Post-Keynesian Approach To Competition*, Edward Elgar, 1991.

D Mair and A Miller (eds), *A Modern Guide To Economic Thought: an introduction to comparative schools of thought in economics*, Edward Elgar, 1991.



from: L Levidow and B Young (eds), *Science, Technology and the Labour Process*, Free Association Books

RECENT PUBLICATIONS BY EAEPE MEMBERS

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

Wladimir Andreff, Universite de Paris, France.

"Soviet Foreign Trade Reforms and the Challenge to East European Economic Relations with the West", in G Bertsch & S Elliott-Gower (eds), *The Impact of Governments on East-West Economic Relations*, Macmillan, 1991.

"The Market Mechanism in the New Management System: Comments", in P Ronnas & O Sjoberg (eds), *Socio-Economic Development in Vietnam: the agenda for the 1990s*, Swedish International Development Authority, Stockholm, 1991.

"Convergence or Congruence between Eastern and Western Economic Systems", in B Dallago, H Brezinski & W Andreff (eds), *Convergence and System Change: the convergence hypothesis and transition in Eastern Europe*, Dartmouth, Aldershot, 1992.

"French Privatisation Techniques and Experience: a model for central-eastern Europe?", in F Targetti (ed), *Privatisation Processes and the Role of the Public Sector: recent trends in central-eastern Europe*, Dartmouth, Aldershot, 1992.

Maurice A Basle, Universite de Rennes, France.

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Riccardo Bellofiore, Università Degli Studi Di Bergamo.

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Alexander Dow, Glasgow Polytechnic, UK.

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M Peter van der Hoek, Erasmus University, Netherlands.

"De kinderbijslag in discussie", *Gezin*, 3(3), 1991.

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Michael Jacobs, UK.

The Green Economy: Environment, Sustainable Development and the Politics of the Future, Pluto Press, 1991.

Christopher Lingle, Miami University, Ohio, USA.

"Social Democracy: no solution for post-apartheid South Africa", *Terra Nova*, 1(2), 73-78, 1992.

"Interest groups and cultural protectionism: apartheid and public arts policies", *International Journal of Social Economics*, 18(4), 4-13, 1991.

"Interest groups, social democracy and post-1992 Europe", *West European Politics*, 14(1), 129-138, 1991.

"The collectivist origins of apartheid and socialism", *South African Journal Economic and Management Sciences*, 5, 65-75, 1991.

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Per Kongshoj Madsen, University of Copenhagen, Denmark.

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Peter Riach and Judith Rieh, Leicester Polytechnic, UK

"Measuring discrimination by direct experimental methods: seeking gunsmoke", *Journal of Post Keynesian Economics*, Winter 1991/92.

Paolo Saviotti, University of Manchester, UK

with JS Metcalfe (eds), *Evolutionary Theories of Economic and Technological Change: present status and future prospects*, London: Harwood, 1991.

with L Simonin, V Zamagni, *Dall Ammoniaca ai Nuovi Materiali: Storia dall'Istituto di Ricerche Chimiche guide Donegani di Novara*, Fondazione Assi, Bologna: Il Mulino, 1991.

"Ricerca e Sviluppo, Imitazione e Innovazione alla Montecatini", in R Giannetti & PA Toninelli (eds), *Innovazione Impresa e Sviluppo Economico*, Fondazione Assi, Bologna: Il Mulino, 1991.

Wicher Schreuders, Erasmus University Rotterdam, Netherlands.

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Burkhard Wehner, Germany.

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"Hilfe für den Staat oder Hilfe für das Volk?", *Wissenschaft und Fortschritt*, 42(3), 1992.

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A Erinc Yeldan, Bilkent University, Turkey.

with Terry L Roe, "Political Economy of Rent Seeking under Alternative Trade Regimes", *Weltwirtschaftliches Archiv*, 127(3), 563-583, 1991.

with Terry L Roe, "Why do private agents rent seek? Political Economy as a Case in Prisoner's Dilemma", *METU Studies in Development*, 18(1-2), 1991.

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REVIEW OF POLITICAL ECONOMY

EAEPE has close but informal links with the Review of Political Economy, including a reduced price for EAEPE members. Forthcoming issues will include the following:

Volume 4, number 3, July 1992

Karen Vaughn "The problem of order in Austrian economics: Kirzner versus Lachman".

Peter Allen, Norman Clark & Francisco Perez-Trejo "Strategic planning of complex economic systems"

Steven Medema "Transactions, transaction costs, and vertical integration: a re-examination.

Michael Lawlor & Bobbie Horn "Notes on the Sraffa-Hayek exchange"

Tracy Mott in conversation with Kenneth Boulding.

Volume 4, number 4, October 1992

Claudio Sardonì "Market forms and effective demand: Keynesian results with perfect competition"

Geoff Hodgson "Carl Menger's theory of the evolution of money: some problems"

Jaques Le Bourva "Money Creation and Credit Multipliers" (with an introduction by Marc Lavoie)

Ole Winckler Anderson & Kirsten Bregñ "New Institutional Economics: what does it have to offer?"

Edward Miller "Ricardian Rent, Factor Quality Variations, and the Testable Implications of Production Function Regularity"

Bookreviews and Newsletter.

ASSOCIATION FOR EVOLUTIONARY ECONOMICS

EAEPE has close ties with the US-based Association for Evolutionary Economics (AFEE), sponsors of the longstanding *Journal of Economic Issues*. Individual membership of AFEE, including a subscription to the journal costs \$25.00 annually (students \$12.50, institutions \$30.00). Members outside North America add \$5.00. Remittances to:

F Gregory Hayden
Department of Economics, University of
Nebraska, Lincoln, Nebraska 68588, USA.

EUROPEAN ASSOCIATION FOR BIOECONOMIC STUDIES

The EABS was set up on May 5 1990. Its aims and objectives are:

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

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

INTERNATIONAL THORSTEIN VEBLÉN ASSOCIATION

The purposes of this recently formed association are:

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

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

TRIBUTES IN MEMORY OF ALFRED EICHNER

This short monograph contains tributes that were given at a memorial service held at Rutgers University in honour of Alfred Eichner. It includes contributions from A Warner, E Ginzberg, R Bartel, ME Sharpe, FS Lee, L Forman, M Groves, T Ogata, WS Milberg and P Davidson. There are additional contributions from P Arestis, RJ Rotheim and J Kregel. They provide a comprehensive picture of Eichner's scholarly work and also contributions to the development of Post Keynesianism.

To obtain a copy of the *Tribute* please send a cheque or international money order to Dr FS Lee, Department of Economics, Leicester Polytechnic, PO Box 143, Leicester LE1 9BH, UK. Price: £4.00 (UK addresses), £6.00 or \$10.00 (non UK). Cheques must be in pounds or dollars.

ASSOCIATION OF POST KEYNESIAN STUDIES 13TH ANNUAL CONFERENCE

FIRMS, HOLDINGS AND INDUSTRIAL
NETWORKS

Erasmus University Rotterdam, 13 November
1992

The structure of firms changes: hierarchies change from U-forms into M- and H-forms. Firms diversify, but also concentrate on "core activities". Firms have many relations with different actors in what is often called "networks". The dynamics of firms raises interesting questions concerning the theory of the firm as well as questions concerning policy issues like competition, technology and merger policies.

This conference will be organized around three sessions: theory of the firm; the facts in Europe, the US and Japan; and policies.

For conference details contact: John Groenewegen, Faculty of Economics, PO Box 1738, Erasmus University, 3000 DR Rotterdam, The Netherlands.

Karl Polanyi Institute of Political Economy 4th Conference

**Beyond Market and State: survival strategy
or autonomous development?**

November 12-14 1992,
Concordia University, Montreal

The major themes of this conference will be:

Comparative community politics

Social justice v social Darwinism

Third world informal sectors

The socialist tradition

Globalization v localization

Karl Polanyi and economic anthropology

Karl Polanyi and economic history.

For details contact: Karl Polanyi Institute of
Political Economy, Concordia University, 1455
de Maisonneuve W. Montreal, Quebec H3G
1M8, Canada. Tel (514) 848-2580.

The Association for Institutional Thought

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

Professor James Swaney

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

International Conference

AUTONOMY AND INDEPENDENT WORK: EXPERIENCES WITH RESTRUCTURING INDUSTRIAL ORGANISATION

Papers at this conference will lend a critical perspective to (i) the study of the development of flexible specialisation and small scale entrepreneurship in relation to industrial organisation; and (ii) integration of empirical material with theoretical argument.

The following themes will be emphasised: core-periphery relations; flexible economy; entrepreneurship and intrapreneurship; industrial districts; network approach; new production concepts; market-hierarchy relations; business recipes; innovation.

For information contact: Erik Poutsma
"Autonomy and Independent Work", Business
Studies, University of Nijmegen, PO Box
9108, 6500 HK Nijmegen, The Netherlands.
Tel: +31 80 61 20 28. Fax: +31 80 61 23 79. E-
mail: U209010@HNYKUN11.

Post-Keynesian Study Group

Anyone interested in finding out details of the current programme for the Post-Keynesian Study Group should write to either Professor Philip Arestis, Department of Applied Economics, The Polytechnic of East London, Longbridge Road, Dagenham, Essex RM8 2AS, or Dr Victoria Chick, Department of Political Economy, University College London, London WC1.

EAEPE 1992 CONFERENCE

“Structural Change and the Regulation of Economic Systems: Integration, Disintegration, Globalization”
Ministère de la Recherche et de la Technologie, Rue Descartes, Paris, France 4th-6th November 1992

WEDNESDAY, NOV. 4

14.00-18.00 Registration

THURSDAY, NOV. 5

9.15-10.45 Guest speakers: Jacques LESOURNE, Luigi PASINETTI.

11.00-12.30

1. Hors BREZINSKI “German Structural Policy in the 1990s Changing the Paradigm?” Bo STRATH and Frank WILKINSON “A Comparison in an Institutional Perspective of 20th Century Labour Market Strategies in Britain and Sweden”.

2. Thomas P. BOJE “Occupational Segregation, Wage Inequality and Gender – Structural and Institutional Reasons for Variations Between Different Labour Market Systems”. Danièle MEULDERS “Structural Change in the Labour Market: Evolution of Women’s Employment in the BEC Countries”.

3. Claudio BUCCELLATO “Structural Changes and Economic Development: Comparisons between Countries by Means of Multy-Way Factorial Analysis”. Pedro DA MOTTA VEIGA “Brésil-Argentine: processus d’intégration et trajectoires nationales dans la crise”.

4. Esben Sloth ANDERSEN “A Schumpeterian Scheme of Punctuated Evolution”. Robert BOYER “Markets: History, Theory and Policy in the Light of the Ninties”

13.45-15.15

1. Daniele ARCHIBUGI “Firms and Nations in the Phase of Techno-Globalism”. Jonathan MICHIE “Global Shocks and Social Corporatism”.

2. Jan Otto ANDERSSON “Strategies for Employment in an Internationalised Economy”. Philippe D’IRIBARNE “A Socio-economic Approach to West European Unemployment”.

3. Gérard DUMENIL et Dominique LEVY “Les relations de long terme entre technique et répartition”. Angelo REATI and Valerio RAGANELLI “Introducing Long Waves in Pasinetti’s Model of Structural Change: The Price Movements”.

4. Ian GOUGH and Len DOYAL “Economic Institutions and Need Satisfaction”. Jean Louis LE MOIGNE “Sur l’interactionisme méthodologique”.

15.30-17.00

1. Ash AMIN “The Local – Global Nexus: Towards a Europe of the Regions?” G. de BERNIS “About Transformation of Productive Systems during the Periods of Structural Change”.

2. F. Gregory HAYDEN “An Alternative to the Safe Minimal Standard for Environmental Planning”. Lars MJØSET “Environmental Problems, Technological Paradigms and International Division of Labour”.

3. Wladimir ANDREFF “The International Economic Disintegration of Eastern Europe”. Alec NOVE “Economics of the Transition Period”.

4. Uskali MÄKI “Issues of Isolation in Transaction Cost Economics”. Christian SCHMIDT “Time and Causality in Economics”.

17.15-18.45

1. Marc HUMBERT “Les Politiques industrielles dans un contexte de mondialisation: une approche systémique”. Grahame THOMPSON “The Problem of “Globalisation” and Economic Management”.

2. Jussi RAUMOLIN “Dialectics of Deregulation and Reregulation: The Example of the Environmental Policy within the European Community”. P. SÖDERBAUM “The Political Element in Economic Theory. The Example of Environmental Economics”.

3. Jerzy HAUSNER “Privatization as a Restructuring Device: Can it Substitute for Industrial Policy in the Transforming Economies? Some Lessons from Poland – An Outline”. Thomas SZIRA “The Impact of Political Ideas on Economic Policy. The Case of Hungary”.

4. Maurice BASLE “Retour sur l’approche de l’Economie insérée dans la société. Le cas des économies dynamiques de marché et capitalisation”. Laurence SHUTE “Social Control of Machine Technology in the 21st Century”

19.00-20.00 Members Meeting

FRIDAY, NOV. 6

9.00-10.30

1. Gabriel COLLETIS and Bernard PECQUEUR “Intégration des espaces et quasi intégration des firmes: vers de nouvelles rencontres productives?”. Päivi OINAS “Flexibility and Locality – Specifying the Scope of Rival hypotheses”.

2. Charles EDQUIST “National Systems of Innovation (NSI) – A Conceptual and Theoretical Discussion. Maureen McKELVEY “What is National about the Innovation Process? The Case of Genetically Engineered Human Growth Hormone”.

3. Pavel MERTLIK “Macroeconomic Development and Privatization in Czechoslovakia: A Critical Overview. Jim ANGRESANO “An Appropriate Theory and Policy for Technological and Institutional Change in Bulgaria”. Charles P. ROCK “Big Bang, Slow Fuse in the Balkans: The Political Economy of Legal and Economic Changes in Post-Communist Bulgaria”.

4. John FOSTER “Dealing with Structural Change in the Monetary System: Evolutionary Approaches to Econometric Estimation”. H. de HAAN “Post-Kalceckian General Equilibrium Models: An Assessment”.

11.00-12.30

1. Niels G. NOORDERHAVEN “Trust and Inter-firm Relations”. Bart NOOTEBOOM “Small Business, Institutions and Economic Systems”.

2. Bengt-Ake LUNDEVALL and Björn JOHNSON “The Learning Economy”. Patrick LLERENA “Diversity and Coherence of Systems of Innovation in Europe: Some Policy Implications”.

3. Daniele CHECCHI “Creation of Financial Markets in (Previously) Centrally Planned Economies”. Xavier RICHET “Transition towards the Market in Eastern Europe: Privatizations, Industrial Restructuring and Entrepreneurship”.

4. Philippe MOATI “Objectifs, critères de rationalité et mode de fonctionnement des marchés”. Witold KWASNICKI “Bounded Rationality and Fluctuations in Industry Development – An Evolutionary Model”.

13.45-15.15

1. Marc R. TOOL “Administered Pricing in the Public sector: An Institutional Approach”. Karel WILLIAMS “Factories or Warehouses? Japanese Manufacturing Direct Investment in the UK and the USA”.

2. Paolo GUERRIERI “National Technological Advantages and Microeconomic Behaviour”. Maria PIANTA, Bianca POTI and Silvia MASSINI “A Technological Recession? The Slowdown of Innovative Activities and the Crisis of Advanced Economies”.

3. Martin BÜSCHER “Economic Systems and Normative Fundaments – The Place of Economic Ethics in the Systems Debate in Reference to the Concept of a Social Market Economy”. Ulrich WITT “The Economics of Mass Media Societies – An Exercise in Non-Welfare Theory”.

4. Michel RENAULT “L’Institutionnalisme américain et le temps Bergsonien: quelques éléments sur les fondements des approches évolutionnistes actuelles”. Simon ZADEK “The Democratization of Scarcity”.

15.45-17.15

1. Bob JESSOP “Changing Forms and Functions of the State in an Era of Globalization and Regionalization”. Bruno THERET “Une approche régulationniste de l’interaction entre l’économie et le politique: application à l’analyse du rapport salarial et de l’Etat-providence”.

2. Ioanna GLYKOU-PITELIS and Christos PITELIS “European Integration, Transnational Corporations and North-South Convergence”. Pier Carlo PADOAN “Single Market, EMU and Widening. Alternative Adjustments to three Institutional Shocks in the European community”.

3. Ole W. ANDERSEN “Norms and Institutional Economic Theory”. Czeslaw MESJASZ “Systems Metaphors, Systems Analogies and Changes in Socio-Economic Systems”.

4. Timo TAMMI “Social Ontologies in Economics: A Framework for Analyzing Rival Economic Approaches”. Ted WINSLOW “Ontology and Evolutionary Political Economy”.

17.30-19.00

Guest speakers: Riccardo PETRELLA, John ZYSMAN.

20.00

Conference Dinner and presentation of Myrdal and Kapp prizes.