

Elsner, Wolfram

Article

Evolutionary Institutionalism. Sources, history and contemporary relevance of The Association for Evolutionary Economics - AFEE

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modest proposal may require member states to enter into binding agreements on avoiding *beggar-thy-neighbour* tax/wage policies. Arguably, all countries might also agree on broad guidelines for national wage policies (e.g. stipulating that wages should be allowed to rise in line with labour productivity – no more, *but also no less*). Agreeing on such guidelines means more policy coordination at the EU level. A labour-productivity driven wage policy, with the individual countries' average nominal wages increasing in line with average labour productivity (augmented by a common ECB target pertaining to inflation) would result in national inflation rates approximating the common target inflation rate. Importantly, such a policy would help narrow divergences within the euro area. It would then be possible to run the *one size fits all* monetary policy, without provoking centrifugal forces within the euro area.

Finally, other possibilities exist for accelerating growth in the EU – which can also reduce the centrifugal tensions. But the realisation of these possibilities would require a radical revision of the unreasonable provisions of the Stability and Growth Pact. This topic remains to be properly addressed.

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Evolutionary Institutionalism. Sources, history and contemporary relevance of *The Association for Evolutionary Economics* – AFEE

Wolfram Elsner*

Some prehistory – Veblen's foundations and the ›upward‹ decades

Evolutionary-institutional economics is more than 110 years old. It started with *Thorstein B. Veblen's* fundamental criticism, put forward in a bulk of papers and books from the 1880s on, of the then just-established ›neo-classical‹ economic mainstream. Veblen had worked empirically, and established on theoretical, methodological, and philosophical levels a new type of economics. He pointed out the *simplistic, equilibrium-oriented, over-optim(al)istic, and teleological* view that had emerged from the Scottish Enlightenment school to the

* University of Bremen, iino – Institute of Institutional and Innovation Economics.

classical economists from Adam Smith on (›the fable of the bees‹, the ›natural price‹ and ›invisible hand‹ metaphors, etc.), even though the Scottish Enlightenment had developed an early understanding of what today would be termed ›complex emergence‹, already pointing beyond a simple mechanical analogy. In his view, their naïve teleological inclinations had paved the way for the overtly simplistic, ›autistic‹, rigid, equilibrium- and optimality-based neoclassical modelling of a ›perfect-market‹ economy which he considered straightforwardly outmoded, ideological, counter-productive, and dangerous.

Complex biological evolution theory after *Darwin*, along with new developments in physics, human biology, anthropology, and psychology made Veblen elaborate that also modern social sciences must be evolutionary in the *phylogenetic* (population-based and diversification centred) sense, thereby comprehending *economies* ›open‹ to (and ›market‹ economies in fact exploiting) both the societal and natural environments, thus being also complex and *path-dependent*. He considered real-world economic theorizing *non-teleological*, non-›optimal‹, and open-ended. After years of empirical industrial research, he came to ask, in his famous 1898 article *Why is economics not an evolutionary science?* – a similar turn that also Alfred Marshall had made after his empirical studies of industries, prices, agglomerations, etc., who also came to state the ›Mekka‹ of economics to be in biology. But Marshall got stuck with this theoretical change halfway (typically in an ontogenetic, i.e., a problematic organicist metaphor).

Veblen considered also *Marx* to remain partly in the classical ›teleology‹. But on the other hand, he had a deep and fruitful discourse with Marxism with which he largely shared the analysis of classes and views on the untenability of capitalism. Marx, in turn, had recognized the historical progress of the Darwinian revolution, although only in his late days – after having detached the simplistic and ›Panglossian‹ references Darwin himself had made to the early Scottish economists and to Malthus, where evolution was always somehow ameliorating, and after having separated Darwin from the reduced, biologicistic and ›socio-Darwinistic‹ interpretation. After Marx' death, Engels became even more clear about the historical progress made also for the social sciences through a properly understood, complex Darwinian evolutionary process. Thus, Marx and Marxism have become an important and continuing source for most evolutionary institutionalists from Veblen's days onwards.

While Veblen still somehow saw too much ›teleology‹ in Marx' historical philosophy, he sympathised with the *German Historical School* (and the English Historicists) and participated in the ›big‹ methodological debates of the time (›Methodenstreit‹). But he criticised also the historical schools, namely as perceiving history and process in *under-theorized* ways. Nevertheless, there emerged some relations between American institutionalism and the German historical school, with Richard T. Ely, the founder of American agricultural and land economics, who had studied with G. Schmoller, being considered the most prominent case here.

Veblen's *Theory of the Leisure Class* (1899) made him famous to a large audience. He analyzed *predatory* histories of socio-economies, based on *emulation* and *invidious distinctions*, and their ›imbecile‹ *institutions*, oppressing the other motivational potentialities of humankind, particularly the *instinct of workmanship*, the ›parental bent‹, or ›idle curiosity‹.

Institutions are (mostly informal) social rules and values emerging and changing in complex, evolutionary processes including *cumulative causation* through learning, socialisation, imitation, formal enforcement and violence – thus ›evolutionary institutionalism‹.

In those invidious, emulative and predatory societies – and the capitalist ›market‹ economy with its imperialist reach does constitute predatory societies – the *ceremonial*, i.e., power- and status-based, motivations, values, and behaviours typically *encapsulate* any technological and scientific progress, which otherwise could be fully used for *instrumental problem-solving*.

After analysing ceremonial consumption, fashion, and education styles, modes of government and imperialism in the *Theory of the Leisure Class*, Veblen later proceeded, in his *Theory of the Business Enterprise* (1904), to focus more on ceremonial, particularly *pecuniary business, which sabotages* ›industry‹, industriousness, professionalism, instrumentalism, production and welfare, in favour of *redistribution* into the speculators' pockets of the wealth produced. With this analysis Veblen was absolutely farsighted, modern, and contemporary, in the face of current pecuniarily dominated and speculative casino capitalism.

With the conceptions of *technology* vs. *institutions*, and *instrumentalism* vs. *ceremonialism*, Veblen not only founded what he coined *evolutionary economics* and what later was also termed *institutional economics* (and particularly *American Institutionalism*). He also largely founded what nowadays has merged into anti-mainstream, heterodox *complexity economics*. But he also shaped the core discussions over the next decades within evolutionary-institutional(ist) economics on its empirical and theoretical research programme: the relation between technological change and institutions. Nowadays it is largely agreed in evolutionary-institutional ranks that ›imbecile‹, ceremonially dominated, and particularly *pecuniary* institutions can, and increasingly do, shape technology and prevent, impede, *sabotage*, deteriorate, or *pervert technological opportunities* for social or ecological ›instrumental‹ problem-solving. Thus, there is no independent, value-free ›technology‹. However, basically, new technological knowledge (an ›increase in the social knowledge fund‹) may change institutions sometimes even in a progressive sense. But it is also widely agreed that (informal) institutions not only are ›always there‹, but also *indispensable to coordinate* agents in any decentralised, individualistic, *complex situations* with typical *social-dilemma*, or collective-good, problem structures. And *neo-liberal* (in fact, neither ›neo‹ nor ›liberal‹), *de-regulated* ›market‹ capitalism is overly decentralised, *overly complex*, overly uncertain, and overly *turbulent*, while real problem-solving in a ›negotiated economy‹, would require both broader collective and more long-run rationalities.

Institutions, thus, are emergent from complex evolutionary process as *complexity-reducing*, learned and *habituated*, anti-hyper-rational, coordinating collective solutions (*institutional emergence*), furthermore, they are ever-changing in ongoing evolution (*institutional change*), and, finally, as whole institutional arrangements, they are responsible for comparative aggregate outcomes (*comparative institutions*). This defines broad areas of the evolutionary-institutionalist research agenda.

Veblen in this way had set the scene for modern evolutionary, institutional economics, and complexity, critical to capitalist reality. He was the founding father of institutionalist

economics, which was a serious challenge for the neoclassical mainstream during the 1920s and 1930s (and its misperceived physical analogies of economics as a ›pure science‹ and ›social mechanics‹). In fact, Institutionalism was the dominating economic perspective in the USA in that time. Allegedly, Veblen was even offered the presidency of the *American Economic Association* (AEA) in the mid-twenties, when the association in fact was already neoclassically dominated, which he refused – perhaps because he was considering the fact that he never was offered a tenured position in his academic career, after having taught at many prominent universities.

Veblen died in 1929, after having published most important papers and books, among them some important applied writings on the post-WW-I international order, with thoughts similar to those of Keynes at that time.

More prehistory of AFEE – Commons, Mitchell, Ayres, and others

But American institutionalist economics is also commonly associated with John R. Commons, the founder of the ›Wisconsin School‹ of Institutionalism, and Wesley C. Mitchell, the most famous empirical business researcher of his time from Columbia University, NYC, the founding father of American empirical business-cycle and macro research.

Commons had become famous through his history of American labour, and gained renown as a leading institutionalist through his *Legal Foundations of Capitalism* (1924), his *Institutional Economics* (1934, 2 Vols.) and later his *Economics of Collective Action* (1950), where he focussed on *institutions* less as ›habits of thought‹ (Veblen) but as *control of individual action* in favour of collective action, which appears extremely modern if, for instance, considered in a game-theoretic social-dilemma, ›unintended-consequences‹, and ›fallacy-of-aggregation‹ perspective. He also can be considered the real founder of (non-marginal, though) *transaction (cost) economics* (later occupied by Coasian economics), and of *law and economics* (later occupied by neoliberal hardcore neoclassicists of the Chicago school). Coming from social, labour, and civil law, his focus was on comparative social interests and values, on the rational and transparent *negotiation* of prices, on socially *reasonable values* and on *working rules*, a transparent, socially sustainable negotiated welfare economy where *futurity* and consistent *mutual expectations* would loom large (again, extremely modern, e.g., in a game-theoretic perspective). His school gained a considerable influence in the 1920s and 1930s in the construction of the US-welfare state that had a time window to emerge in the Roosevelt area, on both state and federal levels (a few north-eastern and north-western states in the US still have some of those welfare-state laws and some related capacities today).

Against this background, the later Association for Evolutionary Economics – AFEE – has launched an annual *Veblen-Commons Award* from its first days on as its most highly recognized award.

Mitchell had developed his large-scale empirical research along the lines of Veblenian themes from the very beginning, focussing on the capitalist anarchy of production, its instability, over-turbulence, and irrationalities under ceremonial (pecuniary) dominance. Nevertheless (or because of this), he grew into the founder and builder of the US national

economic statistics system and empirical business cycle research (with the statistical offices, the National Bureau of Economic Research, NBER, founded by him, the Council of Economic Advisers, etc.). Many institutionalists joined Mitchell in focussing on empirical-statistical work, while maintaining a strong evolutionary-institutional theoretical focus (among them A.F. Burns, A. Lowe and many others). This statistical body was later publicly considered paving the way to communism by a movie actor in the White House (Nixon).

In the fields of industrial, anti-trust, business, and financial markets statistical analysis and related policies, two further prominent institutionalists dominated the scene from the 1930s through the 1950s: Gardiner C. Means and Adolf A. Berle who could build on Veblen's analysis of *absentee ownership* and analysed the capital and power structures, and behaviour, in the then already full-fledged *corporate capitalism*, a most important field of institutionalist critique and theory-building until today (see, e.g., John Munkirs' works on the *centralized private sector planning*, 1985, and Bill Dugger's *Corporate Hegemony*, 1989).

But from the late 1930s on, after the Paretian revolution in neoclassicism, after the *Keynesian revolution* in macroeconomics (with its implicit anti-neoclassical microeconomics), and after the establishment of the *American war and armaments economy*, evolutionary Institutionalism lost ground both in politics/public administration and in economic science. The dominating institutionalist of that period was Clarence E. Ayres who further developed institutional theory, methodology, philosophy, and policy/democracy conceptions into a fruitful combination with *American pragmatist (instrumentalist) philosophy*, represented by Charles S. Pierce and John Dewey. He contributed considerably to clarifying the discussion on ›technology‹ vs. ›institutions‹ that still was somewhat skewed by Veblen's bias against ›institutions‹ and his preference for ›technology‹ and for the technology-related skilled workers and engineers as the revolutionary class (see above for the general post-Ayresian consensus on ›technology vs. institutions‹). *The Theory of Economic Progress* (1944) was his opus magnum in that respect.

AFEE later also launched an annual *Clarence E. Ayres Visiting Scholar Award* for a foreign scholar from its beginning.¹

The downswing years of evolutionary Institutionalism, single institutionalist stars, and allies of Institutionalism

The Keynesian post-WW-II and bastard ›neoclassical-synthesis‹ years, lasting until the late 1960s, saw a strong ›down‹ of evolutionary-institutional economics. It *appeared less prone to mathematical rigor* compared to neoclassical economics and the then new opportunities for Keynesian macro-modelling and empirical macro research. This has changed, with new system-dynamic modelling, evolutionary-institutional interpretations of game theory, dynamic graph and network analyses, or complex computer simulations, related to new tools developed within Institutionalism such as the *Social Fabric Matrix* approach, SFM-A; see below). Its big local centres at universities, such as the Wisconsin, Michigan, and Texas

1 The author of this report had the honour to receive this award in the year 1995.

Schools, became more or less eliminated, and they were at least ignored, if not fought (silently or overtly) by the neoclassical mainstream. As one recent source puts it:

»The methodological battle [...] had robbed the Institutionalists of their early strongholds, the Johns Hopkins University and the American Economic Association (AEA). The growing sway of the Marginalist Revolution over American academia – particularly at the hands of Fisher at Yale, Taussig at Harvard and Knight at Chicago, gnawed further away at the Institutionalists' position« (American Institutional School, cepa/newschool website 2009).

Also, there was virtually no heterodox *post-Keynesian* school (or organized groups) and no associated *Marxian radical* economics yet, and also *Schumpeterian heterodoxy* was still far from being organised as a group. No conditions for synergies among heterodox streams existed yet.

Thus, the late 1940s through the mid-1960s were the decades of institutionalist decline as a group, organized earlier through its different university schools. Nevertheless, some big names still were there and some new ones came up who at least considered themselves in the institutionalist tradition. But they were, then, mostly isolated one-person islands: among them were – beyond those already mentioned – *Walton Hamilton*, *John M. Clark*, *Kenneth Boulding*, and most prominently *John K. Galbraith*, in Europe: *Gunnar Myrdal* and *Karl W. Kapp*, later *Nicolas Georgescu-Roegen*. Further known ›heterodox‹ economists (the term ›heterodox‹, of course, was not in use then) who did not directly contribute to the maintenance of an institutionalist group with an identifiable, coherent research programme, but who were part of its larger discourse, were *Joan Robinson*, and *Adolf Lowe*, later Lowe's student at the New School (NYC), *Robert Heilbroner*, also largely *Paul Sweezy*, *Hyman Minsky*, *Howard Sherman*, *Daniel Bromley*, or *Richard Nelson*, to mention but a few and rather diverse economists. We are talking here about a time-span as large as the 1950s through the 1980s.²

But known, confessing institutionalists, still working closely on the institutionalist research agenda, did also continue to exist from the 1950s onwards. Among them were *Joseph Dorfman*, *Allan Gruchy*, *John F. Foster*, *David Hamilton*, *Louis F. Junker*, and *Wendell Gordon*. But this group was becoming smaller and more isolated, at fewer universities.

Places with institutionalist economists and ›allies in discourse‹ were the *New School for Social Research*, NYC, (Lowe, Heilbroner), places at different *Colorado* Universities (Denver and Colorado State Universities), *Portland State*, OR (H. Vatter, R. Brinkmann), *California State* universities (Fresno, Sacramento, Davis, with M. Tool, P. Bush, J. Cypher, and others), University of Utah at *Salt Lake City* (E.K. Hunt, H. Sherman, and others), *Michigan State* (W. Samuels), *Notre Dame*, IN (P. Mirowski and others), some few in the South East (*University of TN*, Knoxville, with A. Mayhew, W. Neale, H. Jensen, and others), Lincoln,

2 Note that also the field of *business studies* became affected by complexity economics, particularly evolutionary-institutionalist perspectives, as is reflected nowadays in so-called learning and *resource-based approaches to the theory of the firm*. An early representative here was Edith Penrose's *The Theory of the Growth of the Firm* (1959). The major competing heterodox perspective in this area, however, is neo-Schumpeterian economics.

NE (F.G. Hayden, A.M. May), some in the South West: *New Mexico State University* (J. Peach, R. Adkisson), and Texan universities (e.g., Austin: James Galbraith). Later arrivals include: *University of Missouri at Kansas City* (perhaps the strongest institutionalist centre currently, with J. Sturgeon, R. Wray, M. Forstater, F. Lee, S. Bell-Kelton, W. Black, J. Henry, J. Webb, J. Kregel, and others), *UMass at Amherst*, Tufts University, Bard College (Levy Institute), Dickinson College and some few others. Again, this covers decades and refers in varying degrees to different periods between the 1960s and now. And this list is far from being complete.

Finally, an organization on its own

After all, while most of the group ›confessing‹ interest in the Veblenian-Ayresian legacy regularly went to the annual meetings of the *AEA*, they were generally ignored, isolated, or disparaged there. *Allan Gruchy*, finally, took the initiative to form informal annual group meetings on these occasions from the late 1950s onwards, and in the end, the group founded AFEE in 1965. American Institutionalism had an association of its own for the first time, 60 years after Veblen's establishment of the foundations of evolutionary-institutional economics. Two years later, they established their *Journal of Economic Issues* (JEI), finally, taken over by a sympathetic professional publisher recently, the major institutionalist/heterodox publishing house M.E. Sharpe. (More recently, *AFEEmail*, has become a lively and important media of scholarly, higher-education, and general political ideas and material exchange.)

AFEE introduces itself in the following way (on its website, following its founding declaration):

»The Association for Evolutionary Economics (AFEE) is an international organization of economists and other social scientists devoted to analysis of economics as evolving, socially constructed and politically governed systems. [...]

The intellectual heritage of AFEE is that of the Original Institutional Economics (OIE) created and developed by early twentieth-century economists such as Thorstein Veblen, John R. Commons, and Wesley Mitchell. Over recent decades, this legacy has evolved to address such contemporary issues as:

- The role of diverse cultures in economic performance.
- Domestic and international inequalities of income.
- The roles of social, economic and political power in shaping economic outcomes.
- Globalization and the increasing weight of multinational corporations in the international economy.
- The need for expanding use of modern technologies to relieve want.
- The urgent need for awareness of the impact of new technology on the biosphere.
- The ways in which economic thought is affected by and affects always changing economies [...]

Having an own organization allows making prominent institutionalists visible as both presidents and award recipients. In fact, there was a pent-up *stockpile of merited and profiled*

institutionalists in the 1960s and 1970s who had fought those early and continuing fights within the AEA and at their annual conferences for many years: C. Ayres, J. Gambs, A. Gruchy, J. Dorfman, B. Seligman, D. Fusfeld, D. Hamilton, H. Trebing, S. Melman, D. Dillard, J. Street, W. Gordon, M. Lower, and D. James were among the older group of institutionalists having worked from the 1940s to the 1970s, now to become *AFEE presidents* in a row, and J. Munkirs, P. Bush, M. Tool, J. Sturgeon, J. Adams, G. Hayden, V. Briggs, B. Dugger, R. Stanfield, Y. Ramstad, J. Swaney, J. Peach, W. Waller, C. Clark, and G. Atkinson were among the younger generation of followers, often the former group's students, grown up with the association existing already, to become presidents from the 1980s to the 2000s. More recently, even some foreign institutionalists became presidents, such as J. Groenewegen (NL), G. Hodgson (UK), and M. Rutherford (CAN). Currently, *James K. Galbraith* is President-Elect for the period 2011–12 and will be *President* in 2012–2013.

Similarly, the stockpile of deserved heterodox veteran fighters to be honoured and awarded with the *Veblen-Commons Award* was equally pressing in the early years of the association. That stockpile had been ›worked off‹ (through many double awards per year in the 1960s and 1970s) by the mid-1980s. From the ›inner‹ group of then younger institutionalists, A. Mayhew, F.G. Hayden, W. Dugger, J.R. Stanfield, R. Tilman, P.D. Bush, and G. Atkinson were up for the award in the 2000s.

But also, prominent ›external‹ institutionalists, those lone stars mentioned, who were no ›AFEE-workers‹ but always had been allies and now were important for the visibility of AFEE, could be included: *G. Myrdal, J.K. Galbraith, A. Lowe, R. Heilbroner, H. Minsky, S. Melman, P. Sweezy, H. Sherman, and R. Nelson.*

Movement, differentiation, and heterodox synergies

The late sixties were the times of movement and upsurge of ›heterodox‹ thinking which generated synergies for all: Marxists and ›Radicals‹ founded URPE, the *Union for Radical Political Economy*, some socio-economists (with A. Etzioni leading) later founded the *Society for the Advancement of Socio-Economics* (SASE), while older groups, originally motivated by ethical and even religious programmes, such as ASE, the *Association for Social Economics*, revived. The Post-Keynesians followed later with own organised groups, particularly the *Post-Keynesian Economics Study Group* (PKESG). In the 1990s and 2000s more heterodox associations followed, including the *Association of Heterodox Economics* (AHE), the *International Association for Feminist Economics* (IAFFE), the *International Network for Economic Method* (INEM), the *Economists for Peace and Security* (EPS), and, more recently, the *Research Network Macroeconomics and Macroeconomic Policies* (FMM). They all had their upswings together, and AFEE reached some 700 members in the late 1980s, its JEI running well, being considerably well-ranked in many journals ranking lists, and widely appreciated (and measured by cross-citations) as one of the leading heterodox journals. At the AEA-dominated annual meetings the American core groups (ASE, AFEE, URPE, ...) have developed strong collaboration.

A number of institutionalists strongly committed to the Veblenian heritage and research agenda soon considered AFEE too broad to allow for a degree of focus in the discussion they thought to be needed. They founded the *Association for Institutional Thought* (AFIT) in 1979, a smaller group, probably below 100 members, that, however, in the end has developed a close cooperation and division of labour with AFEE. Double membership of AFIT members in both associations thus is common, and, considering publication, after a short-run experiment with their own journal in the early eighties, they have focussed on the JEI. Nowadays, AFIT serves the annual meetings of the WSSA, *Western Social Science Associations* in Spring, while AFEE meets at the AEA-dominated *Allied Social Science Associations* (ASSA) meetings in early January. ASE and URPE, in turn, play a considerable role also at the annual meetings of the *Eastern Economic Association* (EEA) regularly taking place in February or March.

While the revival of ASSA (formally established already in the late 1930s) was basically a great success for the many heterodox and specialised associations after the years of ›motion‹ in the late 1960s and 1970s, they still all have trouble with the *organisational dominance of the AEA* within ASSA which strives to reduce the slots for heterodox associations' sessions at the annual conferences (allegedly based on their smaller audiences, which, however, does not appear to be the case). The heterodox associations already mentioned, but also ACES (comparative studies), SABE (behavioural economics), and others collaborate to fight this policy and at the same time often demonstrate strength through spectacular joint sessions. But there have even been joint AFEE/AEA, ASE/AEA, and URPE/AEA sessions, with people like Douglass North, Richard Nelson, or Oliver Williamson sometimes building bridges and appearing at joint panels.

Nevertheless, the conditions for institutionalists and other heterodoxers are basically more favourable in the frame of WSSA and its Eastern counterpart, the EEA, than in ASSA, where, as indicated, there has been some disquiet in recent years on the issue of the policy of AEA vis-à-vis the heterodox associations.

Internationalization of evolutionary-institutionalist heterodoxy

In the early 1980s, leading AFEE members like M.R. Tool and P.D. Bush made efforts to contact European heterodox economists and finally helped launch the European sister organization EAEPE, *European Association for Evolutionary Political Economy* in 1988 that quickly gained some 500 members and has its own journal now in its 6th year (*Journal of Institutional Economics*, JIE). But also a Japanese evolutionary-institutionalist association, the *Japanese Association for Evolutionary Economics* (JAFEE) with a considerable level of activities and its journal *Evolutionary and Institutional Economics Review*, emerged, as well as a Chinese evolutionary economic association, and heterodox and institutionalist associations in Australia, Brazil, the UK, France, and the Netherlands.

Today, Institutionalism is international and so is the membership of AFEE. Among its active international members are B. Buergenmeier, K. Dopfer (CH), W. Blass, H. Hanappi (A), H.-P. Brunner, C. Cordes, W. Elsner, C. Herrmann-Pillath, W. Kerber, H. Peukert, U. Witt (G), J. Groenewegen, W. Dolfsma, I.v. Staveren, E.-M. Sent, A.H. Spithoven (NL), G. Hodgson,

P. Arestis, R. Mansell, R. McMaster, H.P. Young (UK), M. Rutherford, J. Cornwall, M. Lavoie (CAN), D. Dequech (Brazil), P. Petit, R. Delorme, O. Brette, I. Peaucelle (F), L. Mampaey (B), W. Melody, K. Nielsen (DK), P.A. O'Hara, J. Potts (AUS), Y.E. Oezveren (Turkey), P. Ramazzotti (I), to mention just a few.

Valuable sources for a more detailed international overview of both AFEE and organized heterodoxy in general are not only the *AFEE website* but also the website of the *International Confederation of Associations for Pluralism in Economics* – ICAPE, the *Heterodox Economics Newsletter* (HEN), the *Post-Autistic Economics* journal and its PAEcon website (now: *real-world economics review*), and the *Heterodox Directory website* run by F.S. Lee at UMKC. They all include information on departments and their educational programmes, on journals, and associations.

The discussion among all heterodoxies has become considerably intense and fruitful, and in many respects unexpectedly converging. For a short final illustration of potential converging themes, see the following Figure.

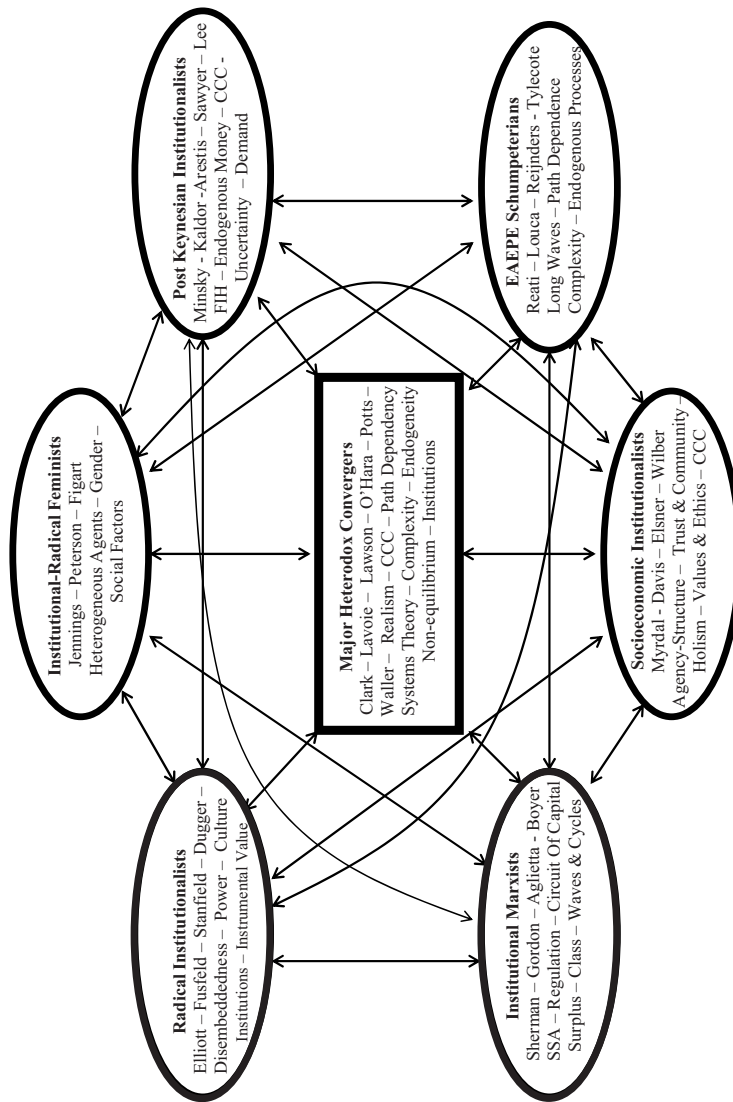
Some prospects

We have analyzed elsewhere that, and to what extent, heterodoxy in a wide sense – but not least in the evolutionary-institutionalist sense – has *gained ground*, and in fact has gained the forehand in providing and defining the most advanced and demanding *research questions and agenda for economics* in the last, say, three decades, and that heterodoxies have even dominated discussions recently in most prominent print media on the global financial and economic crisis (see Elsner/Lee 2010a and 2010b). For Institutionalism in particular, we may consider the examples of P.D. Bush's *Theory of Institutional Change* (Bush 1987) or F.G. Hayden's *SFM-A* (Hayden 2006, Natarajan/Elsner/Fullwiler [eds.] 2009), which have elaborated Institutionalism's logical structures up to a point where properly interpreted and applied formal analyses like econometrics, system dynamics, graph theory, network analysis, game theory, and computer simulation of complex models now can be fruitfully applied to the institutionalist research agenda.

Many fields, especially, in our case, *Coase-Williamsonian New Institutional Economics* (NIE) vs. *Veblenian-Evolutionary-Complex Original Institutional Economics* (OIE), are displaying complex simultaneous motions of theoretical convergence and continuing paradigmatic distinction. We have also argued elsewhere that this ›offensive‹ position in advanced research (put most simple: complexity vs. simplistic equilibrium economics) does not have any positive impact on the positions of heterodoxies in the areas of mass teaching and textbook production (and sales), the businesses of public advice, fund raising, and, particularly, of personnel recruitment (see, e.g., Elsner 2008).

On the contrary, we perceive some *orthodox counterattack*, not so much in research, where ›heterodox‹ and complex issues appear to be continuously more attractive while the neoclassical research agenda as such more or less is exhausted – but in the *mass media* and, in particular, in the field of *academic teaching*, which remains unswayed by the fundamental global crises, and in *academic recruitment*, where the new *ranking* games are set up to generate

Figure 1: Linkages between convergence sub-schools of institutional-evolutionary political economy



Note: CCC - Circular Cumulative Causation (Myrdal); SSA - Social Structure of Accumulation (stemming from French Regulationist School); FIH - Financial Instability Hypothesis (Minsky).

Source: O'Hara 2007: 4.

a complete 'academic cleansing'. So, none of the beliefs heterodox economists ever stood up for are 'safe', once and for all gained territory or have a guaranteed existence. On the contrary, they are under attack by a predominant mainstream, and in an unequal competition so. Economic heterodoxies in academia need to be defended today more strongly in order to survive.

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