

# An Unofficial History:

## 25 Years of the European Association for Evolutionary Political Economy

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Veblen's attempt to make of economics an evolutionary science has been little developed by other economists. The differentiating characteristics of an institutional economics are hard to find.

Paul Homan (1932)

### ABSTRACT

This is a history of the European Association for Evolutionary Political Economy (EAEPE) from its official inauguration and first conference in 1989 to its 25<sup>th</sup> anniversary in 2014. It considers the changing landscape in economics and other social sciences and concentrates on the strategic problems faced by the association. Strategic dilemmas included the use of the term 'evolutionary' and whether the association should be a broad pluralist forum, or devoted to a type of approach, or defined in terms of 'heterodox' opposition to mainstream economics. It discusses how EAEPE responded to these challenges and describes its evolution over 25 years, using available sources to substantiate the main points. This historical account and analysis may be useful for other associations with similar concerns or aspirations.

The first formal meeting of the European Association for Evolutionary Political Economy (EAEPE) took place in September 1989, in Keswick, Cumbria, UK. In 2014, EAEPE had been in existence for 25 years. This was a suitable milestone for an account of its history. Over this period, much has changed in economics and in the world more generally.

Consequently, EAEPE has faced major strategic problems. This essay discusses how EAEPE responded to these challenges and describes its evolution. This analysis may be useful for other associations with similar or related aspirations or concerns.<sup>1</sup>

This article focuses on the strategic problems facing the association. These have broader implications for other projects to develop economics in different ways. Particular problems faced by EAEPE have been the meaning and relevance of the word ‘evolutionary’ and the tension between developing a broad-based association and a viable, scientifically-focused EAEPE journal.

The first section discusses the 1980s background and the formation of the association. The first period of EAEPE’s life, from 1989 to 1997, is discussed in two following sections, the second of which focuses on problems of name and identity. A key debate and decision made in 1997 is given a section on its own. The next section addresses the 1996-1998 EAEPE Summer Schools and the move of the EAEPE administration to Rotterdam. A succeeding section considers strategic problems in the period of 1998-2011 and the move to establish a journal. This is followed by a section covering the administration and governance of the association from 1998 to 2011. Another section considers the 2011 crisis within the association, followed by a section on the subsequent period. The final section reflects upon the future of EAEPE and progress made since its 2011 crisis.

To some degree this is a personal narrative, reflecting my long experience with the association, including my membership of the Steering Committee or Council from 1989 to 2001, and my editorship of EAEPE’s *Journal of Institutional Economics* from 2004. But I have tried to be as accurate as possible and to use documented sources where available.

## **Background and formation**

It is necessary to outline the intellectual context in which EAEPE was launched. In the 1980s, anyone who questioned the assumptions of rational self-interest at the core of mainstream economics would then find it very difficult to publish in a prominent journal of economics or get a job in a prestigious economics department, at least in English-speaking countries. Modern behavioural and experimental approaches were not then influential. Evolutionary game theory had not become established. Only a few prominent economists stressed the role of institutions in economic performance. Equilibrium approaches dominated both microeconomics and macroeconomics, with relatively few leading theorists stressing severe information problems such as Keynesian uncertainty.

Until the 1980s, the alternatives to mainstream economics in Europe were principally Post Keynesianism and Marxism. Beneath the Post Keynesian umbrella were Keynes-devoted macroeconomists stressing the potentially destabilising implications of radical uncertainty in markets, and followers of Piero Sraffa, who made no use of the uncertainty concept in their static models. Many Marxists had got bogged down in arcane debates about the transformation problem or the falling rate of profit, or had confined their work to labour-process theory. Neither the Marxists, the Keynesians, nor the Sraffians paid much attention to developing an alternative microeconomics that incorporated a more satisfactory or realistic picture of human agency and motivation. None of these groups made much use in their

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<sup>1</sup> Helpful comments on an earlier draft by Ash Amin, Paul Dale Bush, Wilfred Dolfsma, Kurt Dopfer, David Gindis, John Groenewegen, Klaus Kubeczko, Maria Lissowska, Uskali Mäki, Klaus Nielsen, Pascal Petit, Ernest Screpanti, Pasquale Tridico, Andrew Tylecote and Fieke van der Lecq are very much appreciated.

economics of new insights from sociology, psychology or other disciplines. The role of institutions in the economy was rarely discussed.

In 1988 William Melody was the head of a project funded by the Economic and Social Research Council (ESRC) in the UK. He invited a number of leading American institutionalists to a conference at the Grim's Dyke Hotel in London in June 1988. The American attendees included Gregory Hayden, Anne Mayhew, Philip Mirowski, Warren Samuels, Marc Tool and other prominent members of the US-based Association for Evolutionary Economics (AFEE), which of course represents the tradition of the original institutional economics. Marc Tool and Paul Dale Bush had previously made contact with several like-minded people in Europe, including Wolfgang Blaas (Austria), Robert Delorme (France), Kurt Dopfer (Switzerland), and John Groenewegen (Netherlands). Other Europeans attending the conference included Ash Amin (UK), Richard Bailey (UK), Victoria Chick (UK), John Foster (UK), Tony Lawson (UK), Klaus Nielsen (Denmark), Andrew Tylecote (UK) and myself.

At the time of the Grim's Dyke meeting, there were very few scholars in Europe who took any interest in the original American institutional economics. Of course, the original institutionalists had been influenced by the German historical school, but that tradition had been extinguished in the 1930s. The great Swedish economist Gunnar Myrdal and the ground-breaking German thinker K. William Kapp had both spent several years in the USA and they described themselves as institutionalists; but they had relatively few followers, even in Sweden or Switzerland where they taught. Otherwise in Europe, the original institutionalism was virtually unknown.

Thanks to Melody's initiative, Grim's Dyke provided a golden opportunity to help develop new lines of research in Europe, beyond the confinements of the dominant orthodox and prominent heterodox traditions. Thoughts of forming a new association were broached. Attention was given to its possible structure and name. Before the official business of the conference had ended, a plan to launch the European Association for Evolutionary Political Economy had been agreed. The determination of a name was not easy. The AFEE precedent suggested the word 'Evolutionary', but worries were voiced about its meaning. 'Political Economy' was chosen to signal a broader and more inclusive profile than 'Economics.' The name was settled, largely because no-one could think of anything better at the time.

The main purpose in forming the association was to promote institutionalist, evolutionary, dynamic and realistic approaches to economic theory and policy. Instead of the over-formalistic and often empty theorising of orthodox economics, the aim was to bring together the ideas of a number of theorists and theoretical traditions, and to help to develop a more realistic and adequate approach to theory and policy.

At the Grim's Dyke meeting a small committee was formed including Richard Bailey as Treasurer and myself as General Secretary. A bank account in the name of the association was set up and membership fees were collected. An application was made for an ESRC grant and this was successful. A part-time administrative assistant was hired. A Europe-wide mailing list was compiled and announcements of the birth of EAEPE were distributed. (This was before the age of email.) In January 1989 the association published and mailed out the first issue of its twice-yearly newsletter.

The first Ad Hoc Steering Committee meeting took place in March 1989 in Northumberland in the UK. Present were Ash Amin, Dick Bailey, Wolfgang Blaas, Robert Delorme, Kurt Dopfer, Geoff Hodgson, Klaus Nielsen, Angelo Reati, and Ernesto Screpanti. I reported that 141 members had been recruited and plans for the founding conference were

developed. The constitution was discussed. It was resolved that EAEPE should apply for charitable status under UK law.

On 19-22 September 1989 the first EAEPE conference took place in Keswick, Cumbria, UK. There were 75 delegates from several European countries. The constitution was agreed by the members, and a Steering Committee was elected.<sup>2</sup> Janos Kornai, Luigi Pasinetti, Kurt Rothschild and George Shackle were elected as Honorary Presidents. EAEPE was officially launched.<sup>3</sup>

### **1989-1997: Strategic challenges and rapid growth**

Unfortunately the Charity Commission insisted that a charity based in England and Wales must have a majority of Anglo-Welsh residents on its management board. The EAEPE leadership regarded this as unacceptable, as it would prevent EAEPE being a genuinely European association, within which all members could participate on an equal footing.

A solution was devised through the separate formation of the Foundation for European Development (FEED) in 1990. FEED became registered as a charity, with the objective ‘to advance public education throughout Europe in the field of political economy, with particular regard to evolutionary and institutional approaches to economic theory and policy.’ FEED retained a majority of UK residents, with a great deal of overlap with persons in the EAEPE leadership. EAEPE remained an unincorporated membership association. (Under UK law it is possible for unincorporated associations to transact legally as a body and hold a bank account.) EAEPE was liable to corporation tax but FEED was not. Although the two organisations were legally separate, they had very close links and would help each other financially, through grants and charitable donations. FEED financial help for EAEPE has continued until the present. The full history of FEED is a topic for another essay, but FEED shall be mentioned where relevant below.<sup>4</sup>

Further challenges came thick and fast. The International Joseph A. Schumpeter Association had been formed in 1986 and had held a conference in Germany in that year. It held a second conference in Siena in 1988. In 1989 the Schumpeter Association was largely unfamiliar to the EAEPE leadership, but it grew quickly and established itself as the major global association of ‘evolutionary’ economists. It launched the *Journal of Evolutionary Economics* in 1991. Although the Schumpeter Association held its conferences every two years, and many were outside Europe, it was another association of ‘evolutionary’ economists with many European members.

The Society for the Advancement of Socio-Economics was founded in 1989 under the leadership of Amitai Etzioni. Initially it had the prominent objective of confronting

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<sup>2</sup> The first elected EAEPE Steering Committee consisted of: Ash Amin (UK, Treasurer), Wolfgang Blaas (Austria), Robert Delorme (France), Mike Dietrich (UK), Kurt Dopfer (Switzerland), John Foster (UK), John Groenewegen (Netherlands), Geoff Hodgson (UK, General Secretary), Egon Matzner (Austria), Klaus Nielsen (Denmark), Angelo Reati (Belgium), Ernesto Screpanti (Italy), Peter Söderbaum (Sweden), Konstantin Val'tukh (Russia). In 1992 the position of Chairperson was added to the Steering Committee. Later this position was renamed President and the Steering Committee was renamed the Council.

<sup>3</sup> More Honorary Presidents were added later: Richard Nelson, Douglass North, Nicholas Georgescu-Roegen, Edith Penrose, and Herbert Simon.

<sup>4</sup> Information about FEED can be found on [www.feed-charity.org](http://www.feed-charity.org).

mainstream economics and developing an alternative to it, using ideas developed in Etzioni's (1988) important book.<sup>5</sup> The leadership of EAEPE saw this as both a challenge and an opportunity for collaboration. I wrote to Etzioni, suggesting a personal meeting at which we could discuss opportunities for joint activity. He responded and we met in London in November 1990. He asked for assurances that the word 'evolutionary' in EAEPE's name did not mean the notion that social behaviour could be explained by genes. I told him that most 'evolutionary' economists were not genetic determinists and saw culture as central. But I realized that some sociologists understood 'evolutionary' in gene-based terms, and this signalled a serious marketing problem for EAEPE. Etzioni argued at our meeting, that if SASE and EAEPE had similar objectives, then EAEPE should dissolve itself and its members should join SASE. I suggested instead that representatives of the two associations should meet to discuss possibilities. He agreed. But despite repeated attempts by EAEPE, SASE did not respond further.

The fall of the Berlin Wall in November 1989 created new opportunities and challenges. Within weeks I was contacted by several economists from former Soviet Bloc countries who were interested in EAEPE, including from Czechoslovakia, Hungary, and Poland. Suddenly, the association had a much larger arena of operation.

The second EAEPE Conference took place in Florence, Italy on 15-17 November 1990. 125 people attended. At that time, EAEPE had a global membership of 328.<sup>6</sup> The only substantial European countries in which EAEPE did not then have a member were Albania and Bulgaria. Largely thanks to the efforts of Ernesto Screpanti, the Florence conference was a success and EAEPE was placed on a firm financial footing. EAEPE had attracted a variety of scholars, including Post Keynesians, Marxists, post-Marxists, Sraffians, Schumpeterians and others.

In 1991 EAEPE adopted a Scientific Development Plan, involving the development of Research Areas and the appointment of Research Area Coordinators. In collaboration with Edward Elgar Publishing, EAEPE produced a series of edited volumes of conference and other papers. In 1991 EAEPE announced annual prize competitions – a 'K. William Kapp Prize' for the best recent essay and a 'Gunnar Myrdal Prize' for the best recent book.

By June 1992 EAEPE had 557 members. In 1993 the administrative office of EAEPE moved from Newcastle-upon-Tyne to Sheffield, under Andrew Tylecote as the new EAEPE Treasurer.

Although EAEPE did not resolve to set up its own journal, it negotiated discounts for its members for personal subscriptions to the *Cambridge Journal of Economics, Industrial and Corporate Change*, *International Review of Applied Economics*, the *Review of Political Economy*, and the *Review of International Political Economy*.

From 1991 to 1996 EAEPE held its conferences in Vienna, Paris, Barcelona, Copenhagen, Krakow, and Antwerp, respectively. The Copenhagen conference was particularly successful in financial terms, thanks to the organising efforts of Klaus Nielsen. Average conference

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<sup>5</sup> SASE seems to have largely abandoned this principal and oppositional objective. It now publicizes itself as a 'meta-disciplinary' forum, attempting to promote conversations between (often mainstream) economics, sociology and political science.

<sup>6</sup> EAEPE Steering Committee minutes, 15 November 1990.

attendance over these six years was about 150. EAEPE membership grew to an all-time peak of 703 in 1997.<sup>7</sup>

EAEPE was then the second-largest association of economists in Europe (after the European Economic Association). It was linked with a number of other networks and had some active national chapters. In at least four European countries, EAEPE members played a major role in governments. At that time, two EAEPE members were members of national governments and at least two others were employed as paid government advisors. There were also EAEPE members in the European Parliament.<sup>8</sup>

### **1989-1997: Problems of name and identity**

Mainstream economics began to diversify and change rapidly in the 1980s. Behavioural and experimental economics became part of the mainstream. Terms such as ‘evolutionary’ and ‘institutional’ were adopted by rapidly ascending mainstream and near-mainstream approaches, including evolutionary game theory and the new institutional economics. Ronald Coase in 1991 and Douglass North in 1993 were awarded Nobel Prizes for their work in institutional economics. The International Society for New Institutional Economics was formed in 1996 and held its first conference in 1997, with Coase, North and Williamson prominent in its leadership. The number of other (orthodox, heterodox and interdisciplinary) associations proliferated.

Another problem stemmed from core changes in the nature of economics. While mainstream economics became more diverse and widened its possible core assumptions, mathematical expression became the only game in town. In 1988 the American Economic Association set up a Commission on the state of graduate education in economics in the US. Although the developments they reported were most advanced in North America, they were already happening in Europe.

In a crushing indictment, the Commission expressed its fear that ‘graduate programs may be turning out a generation with too many *idiot savants* skilled in technique but innocent of real economic issues’ (Krueger 1991, pp. 1044–5). Arjo Klamer and David Colander (1990, p. 18) reported a survey which showed that only 3 per cent of graduate students on top US economics programmes perceived ‘having a thorough knowledge of the economy’ to be ‘very important’ for professional success, while 65 per cent thought that ‘being smart in the sense of problem-solving’ is what matters and 57 per cent believed that ‘excellence in mathematics’ was very important.

Ronald Coase (1997) complained: ‘Existing economics is a theoretical system which floats in the air and which bears little relation to what happens in the real world.’ And Milton Friedman (1999, p. 137) observed: ‘economics has become increasingly an arcane branch of mathematics rather than dealing with real economic problems.’ In a forthright statement, Mark Blaug (1997, p. 3) declared:

Modern economics is sick. Economics has increasingly become an intellectual game played for its own sake and not for its practical consequences for understanding the

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<sup>7</sup> EAEPE Steering Committee minutes of 15 March 1997 and membership records.

<sup>8</sup> In 1998 EAEPE member Pavel Mertlik was appointed as Deputy Prime Minister of the Czech Republic. EAEPE member Jerzy Hausner was Deputy Prime Minister of Poland from 2003 to 2005.

economic world. Economists have converted the subject into a sort of social mathematics in which analytical rigour is everything and practical relevance is nothing.

Despite their new-found diversity, economics departments in the 1990s were becoming increasingly inhospitable places for economists concerned about 'practical relevance' and 'understanding the economic world'. Of course, mathematics is indispensable. But economics had become more involved with mathematical technique than real-world substance.

Many non-mainstream economists had migrated to business schools, institutes of technology studies, science policy institutes, or departments of geography. These changes were particularly marked in the UK, and had progressed unevenly in other European countries. The consequence was that any strategy to change economics as a discipline faced further, increasing difficulties. In several countries, non-mainstream economists were becoming academically homeless, and without a disciplinary base.

The exile of many economists from departments of economics created a sense of enforced isolation, creating the danger of a clannish or inward-looking mentality. Although mainstream economists preferred equations to words, it was still important to understand and maintain a dialogue with mainstream theory, particularly to influence younger scholars coming into the discipline.

Together, these developments meant that EAEPE faced chronic problems of strategy and identity. The first basic dilemma was this: was EAEPE a broad pluralist and inclusive association, or an association promoting a distinctive set of approaches to economic theory or policy?

Each fork in the dilemma posed further problems. If EAEPE was a broad pluralist and inclusive association then why did it have 'evolutionary' in its name? Were 'non-evolutionary' approaches being excluded? If so, what were they? And why exclude them? If, on the other hand, EAEPE was a broad pluralist and inclusive association, was it aiming to challenge the hegemony of mainstream economics in Europe, or trying to create a broad interdisciplinary forum involving sociology and political science? The latter option looked remarkably like SASE, raising further problems about EAEPE's identity.

Or should EAEPE try to promote a distinctive set of approaches to economic theory or policy? *If so, what were they?* The ideas of original institutionalists, such as Thorstein Veblen and John R. Commons, were attracting increasing attention in Europe, but largely among those interested in the history of economic thought. The ideas of Clarence Ayres (1944), with his notion of technology 'evolving' and pushing against restraining institutional barriers, had been preeminent among original institutionalists in the USA since 1945, but had never gained a significant following in Europe.

The ambiguities and misunderstandings surrounding the term 'evolutionary political economy' were dramatized by Paul Krugman's November 1996 plenary contribution to EAEPE's Antwerp conference. Krugman began: 'I am both honored and a bit nervous to be speaking to a group devoted to the idea of evolutionary political economy.' While 'not exactly an evolutionary economist' he admitted to being 'an evolution groupie. That is, I spend a great deal of time reading what evolutionary biologists write ... I find in evolutionary biology a useful vantage point'. He then went on to explore 'parallels and the differences between economics and evolutionary biology' arguing that biologists made use of 'maximization and

equilibrium' approaches. His whole argument depended on the assumption that 'evolutionary' in EAEPE's name necessarily referred to biology.<sup>9</sup>

Clearly, the word 'evolutionary' had a multiplicity of possible meanings. For EAEPE, did it mean biological metaphors? Complexity theory? Spontaneous order? Natural selection? Genetic determinism? The original institutionalism? Darwin? Marx? Menger? Veblen? Schumpeter? Ayres? Hayek? Or even Walras (Jolink 1996)? Some or all of these? If all or several, then the word served little purpose. What was clear is that there was no consensus, *even within EAEPE*, on what the word meant.

Concern about EAEPE's name and its strategic implications was raised informally within the Steering Committee in 1990 and tabled on the agenda of its 13 March 1993 meeting in Barcelona, where I as General Secretary suggested 'European Political Economy Association' as a replacement. In response, there was concern about the confusion and uncertainty that this change might engender, and that the unqualified term 'political economy' might be perceived as Marxist, especially in the former Eastern Bloc countries. After extensive discussion it was agreed that a discussion on the issue should take place in the EAEPE Newsletter and that the matter would be tabled at the next Steering Committee meeting.<sup>10</sup>

Addressing the association's name, the Steering Committee organised a consultative ballot among its members in the summer of 1993. The circulated introduction to the ballot declared:

The EAEPE Steering Committee has discussed the possibility of changing the name of the association but it is worried about the reaction of members and potential members to any change. ... It has been argued that the word 'evolutionary' is often open to misinterpretation. Those in favour of changing the name argue that the scope of EAEPE should be broadened – at least within heterodox economics – and this should be signalled by the name of the association.

Alongside the existing name, two alternative names were suggested to the membership: 'European Association for Socio-Economics' (EASE) and 'European Political Economy Association' (EPEA). Members were also invited to suggest alternative names. There were several questions, some with invitations to respond on a five-point Likert scale.

145 ballots were received out of a July 1993 membership of 430. In response to the proposition that 'The EAEPE name should be changed' those that 'strongly disagreed' with the idea of changing the name outnumbered those who 'strongly agreed.' But, when all those in agreement were added together, and all those in disagreement added together, those in agreement with a name change outnumbered those in disagreement.

Members were asked to rank the three main options in order of preference. 'European Association for Evolutionary Political Economy' received 63 first preferences and 'European Political Economy Association' received 54 preferences. It was found that if 'European Association for Socio-Economics' was eliminated and the second preferences of its supporters were distributed (under the alternative vote system), then EAEPE would get 77 votes and

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<sup>9</sup> Krugman's 1996 address is on <http://www.pkarchive.org/theory/evolute.html>. Accessed 22 December 2013. It was later published as Krugman (1999).

<sup>10</sup> EAEPE Steering Committee minutes, 13 March 1993.

EPEA would get 65 votes.<sup>11</sup> There was significant attachment to the original name. Given that changing the name would require a two-thirds majority under the constitution, it would be a mountain to climb.

Having surveyed the height of the mountain, the Steering Committee did not walk away from it. The minutes of the Steering Committee meeting of 27 October 1994 noted the continuing discussion on ‘the development of the association and the problem of defining and establishing its identity.’ The minutes continued: ‘Ernesto Screpanti added that there was a basic dilemma involved: the association could define itself either broadly or narrowly in terms of its theoretical perspectives and recruitment.’ This put the strategic problem in a nutshell.

Another survey, this time of past members as well as members, was conducted in 1995. This survey did not address the association’s name but reasons for joining or leaving EAEPE, especially in regard to the changing nature of economics and the growing number of competing associations. The analysis of the survey concluded:

The association faces the problem of defining itself either in more general – broad and interdisciplinary – terms, or as an organisation with more specific interests. In turn this raises the issue of similar or competing associations. The perceived number of competing associations is identified as the most important reason for members failing to renew their subscription.<sup>12</sup>

Discussion occurred in 1996 about the possibility of an EAEPE journal. Initially I inclined toward this idea, but I was swayed by the difficulty of reconciling a focused and viable journal with a very broad and inclusive profile for the association.

In July 1996 Ernesto Screpanti published an important paper on strategy in the EAEPE *Newsletter*. He warned that EAEPE was in danger of becoming a sect. He argued that the scientific scope of EAEPE should be widened, primarily by increasing the number of research areas. Ernesto also argued that ‘perhaps the most serious of our problems is the narrowness of our theoretical self-definition’. He argued for greater ‘generality of scientific scope’ with EAEPE embracing a much greater diversity of theoretical approaches. He also argued for a change in the EAEPE name.

### **1997: A comet appeared, portending doom – or was it opportunity?**

One of the most important meetings of the leadership in the history of EAEPE took place in the village of Great Offley, Hertfordshire, UK from 15-16 March 1997. Present at this meeting of the EAEPE Steering Committee were Ash Amin (UK), Wolfgang Blaas (Austria), Robert Delorme (France, Chair), Kurt Dopfer (Switzerland), Geoff Hodgson (UK), Stavros Ioannides (Greece), Francisco Louça (Portugal), Pavel Mertlik (Czech Republic), Klaus Nielsen (Denmark), Angelo Reati (Belgium), Bertram Schefold (Germany), Ernesto Screpanti (Italy), Andrew Tylecote (UK).<sup>13</sup>

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<sup>11</sup> Report to the EAEPE Steering Committee on ‘Results of the Consultative Ballot on Changing the Name of the Association’ dated 13 September 1993.

<sup>12</sup> ‘Survey of EAEPE Members and Past Members’ – document dated 3 January 1996 and circulated to the Steering Committee.

<sup>13</sup> Apologies for absence were received from John Groenewegen (Netherlands), Jerzy Hausner (Poland), and Maureen McKelvey (Sweden).

In the Hertfordshire countryside, away from the city lights, the Hail-Bopp Comet glowed in the night sky. It was to pass its perihelion on 1 April 1997. It was allegedly the most widely observed comet of the twentieth century and one of the brightest seen for many decades.

The Great Offley meeting included a long strategic discussion on the proposals for an EAEPE journal and for a change of name of the association.<sup>14</sup> I had prepared and circulated a discussion paper, coming down against an EAEPE journal and in favour of a change of name. The minutes of the meeting summarise its argument against a journal: 'To be successful, a new journal would have to be relatively narrow. This would run the risk of EAEPE as a whole being perceived as narrow, special interest, or sectarian. Also there was the problem of the chronic over-abundance of academic publications.' The document itself argued: 'If the journal was too generalist it would not attract enough readers. It must focus on specific debates and specific issues, deal with them in depth, and move on progressively, with cumulative effect'. Having side-lined the option of an EAEPE journal, the document proposed:

that we define ourselves in broad and pluralist terms, *and challenge the European Economic Association for hegemony in the European arena*. Let us present ourselves not as a single approach, but as a broad forum containing multiple sources of expertise and containing genuine, pluralistic and interdisciplinary debate.

This called for a change to EAEPE's name. The word 'evolutionary' was confusing. The possibility of using the word 'institutional' had been raised, but it was also unclear and might be perceived as narrow. It was important that EAEPE was perceived as a broad and pluralist association. After much discussion, the following resolution was proposed and agreed:

The EAEPE Steering Committee believes that it is both opportune and desirable to change the name of the association to the 'European Political Economy Association'. The association should continue to define itself in broad and pluralist terms, present itself as the broad forum in Europe containing multiple sources of expertise, and foster genuine, pluralistic and interdisciplinary debate. The Steering Committee welcomes the broadest possible debate on this proposal for a change of name, before, in due course, the question is resolved by the membership as a whole.

It was also agreed that this issue would be raised in the EAEPE Newsletter to encourage an extensive debate, it would be aired at the November 1997 EAEPE Conference in Athens, and then formally resolved at the November 1998 Membership meeting at the EAEPE conference in Lisbon.

In January 1996, as General Secretary, I launched an email bulletin system for EAEPE members and contacts, but email addresses were then known for only 54 per cent of the EAEPE membership. Otherwise the debate had to be conducted largely through pages of the EAEPE Newsletter.<sup>15</sup>

According to plan, a discussion was held at the Membership Meeting during the November 1997 EAEPE Conference in Athens, Greece. Leading the discussion, I argued that the word 'evolutionary' was both ambiguous and awkward. It was not an appropriate demarcation device, and it put off many people. But from the chair, Robert Delorme argued for the retention of the existing name. He was supported by several speakers, including John Foster,

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<sup>14</sup> See EAEPE Steering Committee minutes, 15-16 March 1997 and the discussion paper on 'Some Strategic Questions for EAEPE: Concerning an EAEPE Journal and the EAEPE Name'.

<sup>15</sup> Minutes of the EAEPE Membership Meeting, 7 November 1997, Athens, Greece.

Wittold Kwasnicki, Bart Nooteboom, and Paolo Saviotti. Andrew Tylecote opposed the use of 'evolutionary' in the title, and had done so since 1988.

Two indicative and non-binding, 'straw' votes were taken at the meeting. In response to the question: 'Are you satisfied with the existing name?' 34 voted 'yes' and 21 'no'. In response to the question: 'Would you vote for the name "European Political Economy Association?"' 21 voted 'yes' and 25 'no'. It was then clear that the attempt to change the name would be unlikely to succeed. The plan to continue the discussion was abandoned. The mountain was deemed unclimbable, at least for a while.

### **1996-1998: EAEPE Summer Schools and the move to Rotterdam**

In March 1995, after the Steering Committee meeting in Krakow, Poland, Andrew Tylecote and I travelled south to the Tatra Mountains, in the hope of doing some walking. The weather was generally bad and we were besieged by snow in our lodgings for much of the time. Andrew had with him European Commission documentation for grants for 'Training and Mobility of Researchers' (TMR). This included the possibility of funding for EAEPE Summer Schools for 'young researchers at post-graduate and post-doctoral level'. A large grant application was made to the European Commission and it was successful.

Following European Commission guidelines, there were minimum quotas for female students and for applications from residents of EU 'Less-Favoured Regions'. A Summer School was held in 1996 in Ribadesella in Northern Spain, another in 1997 in Hania, Crete, Greece, and a third in Kenmare, County Kerry, Ireland. The Lecturers at the summer schools were Ash Amin, Ronald Dore, Giovanni Dosi, Charles Edquist, Jan Fagerberg, Mark Granovetter, Geoff Hodgson, Tony Lawson, Philip Mirowski, Richard Nelson, Klaus Nielsen, Charles Sabel, Andrew Tylecote, and Ulrich Witt. Over 150 people attended one or more of the three EAEPE Summer Schools.

There was a Foundation Course at each summer school, and other courses on 'Firms and Markets', 'Systems of Innovation', 'Socio-Economic Evolution', 'Advanced Methodology', 'Technical Change', 'Economy and Society', 'Advanced Theory' and 'Industrial Districts'.

There were EAEPE Summer School reunions in Olomouc in Czech Republic in 1999 and in Ribadesella in Spain in 2000. The three EC-funded summer schools were successful in bringing a number of young people into EAEPE. Many became active and served on the EAEPE Council.

During 1997, plans were made to shift the EAEPE administration from the UK to Rotterdam in the Netherlands. Subject to election by the members, John Groenewegen volunteered to replace Geoff Hodgson as General Secretary and Albert Jolink agreed to replace Andrew Tylecote as Treasurer. Robert Delorme remained as Chairperson. By 1998 the administration had completed its move across the North Sea.

At about this time the role of Chair was renamed President and the EAEPE Steering Committee became the EAEPE Council.

### **Continental drift – from organisational alliances to a focused journal**

Setting up the new administration in Rotterdam took much time and effort. It was complicated by the fact that the money had first to be changed from Pounds Sterling to Guilders, and then from 1999 into Euros. A Dutch administrative assistant was recruited. In addition the new

leadership of EAEPE had to deal with the strategic problems that had been left unresolved after the November 1997 Membership Meeting in Lisbon.

In early 2000 John Groenewegen reported a decline in EAEPE membership.<sup>16</sup> From its peak of 703 in 1997, it had fallen to 609 in 1998, and to 545 in 1999. In his 'Plan of Action' he reported an ongoing investigation of the cost of attending EAEPE conferences in comparison with others, suggested that further summer schools should be organised, and raised again the question of an EAEPE journal.

The May 2000 Council Meeting held a long discussion on EAEPE strategy. In reference to Ernest Screpanti's 1996 article in the EAEPE Newsletter, it was noted that although its advice to increase the number of EAEPE Research Areas had been followed – the number had risen from 10 to 18 – this had not reversed the post-1997 decline in membership. I argued for a Europe-oriented diversification strategy, involving a broadening of EAEPE's scope and increasing collaboration with other associations.<sup>17</sup>

As a result of these discussions, a major effort was made by Ugo Pagano and Antonio Nicita to maximise participation in the November 2001 EAEPE Conference in Siena, Italy. It was also proposed to invite leading members of other associations to discuss possible collaboration. The Siena conference proved to be the largest so far in EAEPE's history, with an attendance of about 330.

At the meeting of the Council held during the Siena conference, John Groenewegen mooted the possibility of an umbrella 'European Economic Society' (EES), on the model of the Allied Social Science Association (ASSA) in the USA, which brings together several organisations at its large conferences. The EES would host EAEPE and other associations under this umbrella. It was decided to share this proposal with the members at the Siena Membership Meeting, and to ask them to endorse the following 'Siena Declaration':

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

The EAEPE membership approved this initiative and the meeting with other associations took place as planned. Present were Peer Kristensen (European Group for Organisation Studies, EGOS), Robin Stryker (former President of SASE), Marino Regini (President of SASE), Mary Shirley (International Society for New Institutional Economics, ISNIE), Wolfgang Blaas (EAEPE), Robert Delorme (EAEPE), Wilfred Dolfsma (EAEPE), Geoff Hodgson (EAEPE) and John Groenewegen (EAEPE). The other associations were not persuaded of the desirability of an ASSA-type European forum. They did not suffer as deeply from the kind of identity problem that had beset EAEPE since its inception. EAEPE had to sort this problem out for itself.

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<sup>16</sup> 'Plan of Action to increase EAEPE membership' by John Groenewegen for the EAEPE Council, dated 26 January 2000.

<sup>17</sup> 'Some Strategic Questions for EAEPE: A Discussion Document for the EAEPE Council' dated 6 May 2000.

Despite the unprecedented size of the 2001 Siena conference, membership continued to decline. In April 2003 Albert Jolink reported that 2002 membership had reached 470.<sup>18</sup> Considering new ways of attracting and retaining members, the thoughts of the EAEPE Council turned again to the possibility of an EAEPE journal. In early 2002 I was asked if I would be interested in being Editor-in-Chief of a new *Journal of Institutional Economics*. EAEPE had decided upon that name for the journal. I gave the matter some thought and made some suggestions concerning aims, scope and the editorial team.

In my draft aims I proposed a journal that would embrace research from both the original and new institutionalism. I believed that these streams were both wide and diverse and there was significant overlap between them (Groenewegen et al. 1995, Dequech 2002). The journal would also be open to other social science disciplines and to all schools of thought that could contribute to the understanding of the role and impact of real world economic institutions and organizations. My suggestion was for a journal that defined itself in terms of objects of analysis, namely organisations and institutions, rather than in term of heterodoxy, orthodoxy or any particular or disciplinary approach. I proposed that the focus of the journal should be economic institutions, and rigorous contributions from other disciplines would be welcomed.

Concerning the use of mathematics, there was a suggested requirement that it be fully explained and ‘consigned as much as possible to appendices’. Assumptions must ‘have sufficient grounding in reality’ and papers must enhance ‘our understanding of past or present socio-economic institutions.’ I wanted a journal that was theoretically robust without being overly dominated by mathematical technique. I also made some suggestions concerning members of the Editorial Board.<sup>19</sup>

In November 2002 John Groenewegen informed me that the EAEPE Council had decided ‘to launch a journal named the *Journal of Institutional Economics* as soon as possible’, and to appoint me as Editor-in-Chief. I was offered the tasks of establishing the journal, formulating its focus, seeking a contract with publishers, appointing its editorial board, and establishing rules concerning refereeing procedures, all ‘in close consultation with the Secretariat of EAEPE’. I accepted the invitation to proceed in these terms.<sup>20</sup>

But at the April 2003 meeting of the EAEPE Council, some reservations were expressed about the plan and the journal aims. According to the minutes, some Council members did not like the proposed policy concerning the use of mathematics; it was ‘giving the wrong signal to the outside world’. Also, according to the minutes, ‘Wolfram Elsner raised the question of the journal being of high quality but broad and not being clearly focused on original institutional economics.’ But EAEPE’s Honorary Presidents signalled a wider outlook for the association: they included new institutional economist Douglass North and evolutionary economist Richard Nelson. Wolfram argued that the journal ‘should cover heterodox economics in a broad sense’ and its Editorial Board should be ‘recruited from the EAEPE membership’. He objected that the proposed editorial board included ‘some hard-headed mainstream

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<sup>18</sup> Minutes of the EAEPE Council meeting of 4-6 April 2003. It should be noted that EAEPE membership has been unstable. Often people joined for the conference and did not renew.

<sup>19</sup> Email from Geoff Hodgson to Albert Jolink of 5 June 2002.

<sup>20</sup> Email from John Groenewegen to Geoff Hodgson dated 11 November 2002.

economists who do not sympathise with EAEPE.’ But other Council members pointed out that the policy of EAEPE and the journal was pluralist rather than narrow.<sup>21</sup>

In an email correspondence, EAEPE President Robert Delorme expressed concerns that the terms ‘political economy and evolution’ were insufficiently emphasised in the draft aims of the journal and some of the proposed editors were ‘frankly hostile to EAEPE’. John Groenewegen emailed me to clarify matters. He reassured me that the EAEPE Secretariat agreed ‘in general with the direction of your aims’ for the proposed journal.<sup>22</sup> The next day I sent an email to the members of the EAEPE Secretariat. I said that I would like the International Advisory Board of the journal ‘to be as broad as possible’:

This means approaching people who might be perceived as critical of EAEPE. I have no intention of editing a journal that is confined to a narrow group or perspective. My intention is to include adherents of the ‘new’ as well as the ‘old’ institutional economics.<sup>23</sup>

Frankly I saw no future in a journal that replicated EAEPE’s own problems of identity and strategy. Yet another broadly-based ‘heterodox’ journal was unlikely to be favoured by a publisher and what did ‘heterodox’ mean anyway? For some it meant opposition to free-market policies, for others it meant opposition to the neoclassical assumptions of equilibrium, rationality and maximisation, and for Tony Lawson (1997, 2004) and others it meant opposition to what were judged as ontologically inappropriate uses of mathematics. The advocates of a ‘heterodox’ journal gave no clear indication what ‘heterodox’ meant.

With assurances from the EAEPE Secretariat, I went ahead with the agreed plan for the journal. Cambridge University Press and two other publishers were approached in June 2003. In my Progress Report to the Council of October 2003 I suggested some elaboration of the governance structure of the journal.<sup>24</sup> I proposed that the EAEPE Council would not be the governing body of the journal. First, Council meetings were ‘already overburdened with business’. Second, ‘EAEPE is and will remain European’ but the journal ‘must be global’. Third:

One of EAEPE’s strategic aims is to work together with other allied associations, in Europe and elsewhere. JOIE [*Journal of Institutional Economics*] will also reach out to other associations. Other associations might want to ally with EAEPE in the JOIE project. They might also wish to do a deal to distribute JOIE to their members. But in return they might reasonably ask for a stake in its governance. Hence we need a structure sufficiently flexible to accommodate other associations.

Fourth: ‘a journal has to be much more focused if it is to succeed.’ The journal ‘will not grow sufficiently in stature if it provides space for each and every heterodox research programme, irrespective of its potential. It has to have some strategy and direction, while being pluralist, interdisciplinary and inclusive.’ The journal ‘has to stand out ahead’:

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<sup>21</sup> Minutes of the EAEPE Council meeting of 4-6 April 2003.

<sup>22</sup> Emails from Robert Delorme of November 2003, and from John Groenewegen of 21 November 2003.

<sup>23</sup> Email from Geoff Hodgson to the EAEPE Secretariat of 22 November 2003.

<sup>24</sup> ‘Progress Report to the EAEPE Council by the Editor-in-Chief’, dated 23 October 2003. In the following quoted text the term JIE has been changed to JOIE, to reflect later usage as the abbreviation for *Journal of Institutional Economics*.

But while helping the journal, this strategy creates problems for EAEPE. Not only will many EAEPE members be unhappy with the evolving and relatively narrow focus of the JOIE, but there is an additional danger of people seeing the JOIE's inevitably selective content as exclusively defining EAEPE's scope and interests.

Fifth: 'People will be upset when their papers are rejected. ... When these grievances appear, EAEPE might be blamed.' My sixth reason was not made explicit. After opinions expressed by leading members of the Council, I was concerned that there might be too much direct interference in editorial policy if the EAEPE Council was in immediate control of the journal.

Consequently I proposed that there should be another body with EAEPE appointees, which would then govern the journal. This proposal was agreed by the Council. Eventually this idea took the form of a corporation with shareholders. EAEPE would be the initial shareholder and it would be possible to add shareholders in the future. John Groenewegen and Albert Jolink visited the UK in December 2003 and made steps to set up a company. JOIE Foundation Ltd signed a contract with Cambridge University Press and the first issue of the journal appeared in June 2005.<sup>25</sup>

Within a couple of years I was told verbally that some Council members were critical of JOIE and even wished that JOIE was no longer an EAEPE journal. I asked for reasons and details, so that I could make editorial improvements, but none was forthcoming. In May 2009 Albert Jolink wrote to me reporting 'critical signals ... received from EAEPE members' regarding JOIE. I responded to Albert: 'What were these critical signals? The editors would welcome some feedback.' I received no detailed explanation.<sup>26</sup>

John Groenewegen reflected on events on the EAEPE Council around that time: 'My reading of the past would not be that some Council members were against JOIE with respect to the content, not at all. On the contrary.' He explained that because JOIE had been successful and was 'flying,' some council members wished to detach it from EAEPE: 'It was for them a matter of spending money in another direction.'<sup>27</sup>

In another recollection of these discussions, former-President Pascal Petit wrote that the Council had been looking into the possibility of EAEPE setting up and sponsoring additional journals alongside JOIE, in line with the broad and pluralistic stance of the association.<sup>28</sup> I can concur that John Groenewegen and Albert Jolink had raised this possibility with both me and Cambridge University Press as early as December 2003, while JOIE was just being established. But it made no sense – in 2003 or 2009 – that EAEPE should set up multiple journals. It would either require a big hike in membership fees, or making each journal as an optional extra for the members. Unsurprisingly, Cambridge University Press quickly dismissed the 2003 suggestion for a second EAEPE journal. In the early years it was vital that

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<sup>25</sup> As noted below, the JOIE Foundation Ltd was dissolved and replaced by Millennium Economics Ltd in 2012.

<sup>26</sup> Emails of Albert Jolink to Geoff Hodgson of 9 May 2009 and of Geoff Hodgson to Albert Jolink of 11 May 2009.

<sup>27</sup> Email from John Groenewegen to Geoff Hodgson dated 28 November 2013.

<sup>28</sup> Email from Pascal Petit to Geoff Hodgson dated 2 February 2014. It is difficult to confirm the precise view of the Council in this period because some minutes and other EAEPE records are lost. I stood down from the Council in 2001.

EAEPE put its full weight behind its first journal, rather than diversify or dilute its efforts. Grand plans for more journals should have awaited the success of the first.

Further evidence of qualified support for JOIE was at the November 2009 EAEPE Conference in Amsterdam. The then EAEPE President Pascal Petit said publicly in an EAEPE session, where I was present, that the 'EAEPE subsidy of JOIE is in question.' This was a mischaracterisation. EAEPE was not 'subsidising' JOIE: it was buying copies of a journal that it (then wholly) owned, as a service to its members. The 'JOIE subsidy' formulation suggested that EAEPE was doing JOIE a favour, rather than JOIE making EAEPE more attractive as an association and being a benefit for the existing EAEPE membership. After all, John Groenewegen's 'Plan of Action' in 2000 called precisely for an EAEPE journal to help recruit more members.<sup>29</sup>

Clearly, some members of the EAEPE Council wanted to disassociate EAEPE from the journal that EAEPE had called for in 2002 and founded in 2004. While JOIE was increasing its profile and circulation, they were unhappy, and wanted to walk away from the project, or at least dilute EAEPE's support. This might have done serious damage to a newly-founded journal.

In 2011, when a severe internal crisis within EAEPE was maturing, FEED stepped in and offered to subsidise EAEPE for half the cost of the copies of JOIE that EAEPE circulated to its members. This gave EAEPE a financial incentive to stay on board. In return, FEED became established as a joint member of the JOIE Foundation Ltd and joint owner of the journal. It helped JOIE overcome its shaky support from EAEPE.

### **1998-2011: The long road to crisis**

When the EAEPE administration moved in 1998 from the UK to Rotterdam there was a serious legal and financial problem. UK law allows unincorporated associations to hold bank accounts. By contrast, in the Netherlands and elsewhere on the Continent, some form of legal registration or incorporation is required before a bank account can be set up.

Despite their shared responsibility for the governance of the association, this problem was not brought to the attention of the Council, at least until 2001 or after. Instead, the EAEPE Treasurer and Secretary set up a bank account in the Netherlands in their joint individual names, which was then used to receive EAEPE incomes and make expenditures. In fact EAEPE had no bank account in its name from 1998 to 2013! When I became aware of this in 2011, I asked Albert Jolink why EAEPE had not become legally registered so that it could hold a bank account. He explained that EAEPE would then be liable to tax. But EAEPE had been liable for tax when its administration was in the UK. FEED had been set up as a charity to address this problem. This possible solution was avoided by the EAEPE leadership from 1998.<sup>30</sup>

In addition, from 2001 to 2011, there is no known record of detailed accounts and no known record or minute of these accounts being (internally or externally) audited. From 1989 to 1998, as recorded in the Council minutes, the annual practice had been to appoint external

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<sup>29</sup> In a personal conversation to the present author in February 2014, Pascal Petit expressed his appreciation of JOIE and warmly welcomed its development and success.

<sup>30</sup> Since 2000, very little money has flowed from EAEPE to FEED. From 2000-2013 inclusive, the net flow of funds has been about £20,000, from FEED to EAEPE. FEED financial support for EAEPE is ongoing.

auditors and present their report to the Council. At least from about 2001 the Secretariat and Council failed to ensure that the Treasurer submitted proper audited accounts. This failure was not divulged to the membership. The Treasurer gave repeated assurances that the finances were in good shape. But he sometimes took many months to pay bills, leading to internal and external complaints.<sup>31</sup>

Members of the Council at that time report that meetings were overburdened with business. Previously-established rules and procedures for the conduct of meetings were ignored. Meetings were badly chaired, with insufficient resolutions or clear decisions. Some individuals (inside and outside the Council) raised concerns about EAEPE's problems and tried to help deal with them. But these efforts were largely unsuccessful. Trust among members of the council was undermined and fractious disputes arose.

Financial resources were not used wisely. A large amount of money was spent on an EAEPE website which involved a substantial amount of software that allegedly could be downloaded for free.<sup>32</sup> Eventually the website was inadequately maintained. It lacked flair and much of its material became out of date.

A further five-figure sum was wasted by the Secretariat in legal fees in setting up the JOIE Foundation Ltd in 2003-4. This company owned JOIE and had EAEPE as sole company member. It turned out that it had been set up in a way that disallowed EAEPE or any other future company member from taking profits from the company.<sup>33</sup>

A radical plan for the streamlining of the organisation, largely by increasing the power of the Secretariat and reducing the size of the Council, was drafted by John Groenewegen and Albert Jolink but rejected by the Council in 2009. John Groenewegen stood down as General Secretary that year, and Jackie Krafft was elected to take over in this position. Albert Jolink remained as Treasurer. Pascal Petit also remained as EAEPE President.

Nevertheless during this turbulence, and largely through the efforts of Pasquale Tridico, EAEPE managed to establish a second series of annual summer schools in Rome, starting in 2010. Once again there was an avenue for bringing young scholars into the association.

After the financial crash of 2008, some members of the EAEPE Council wanted the association to take a more policy-oriented profile, and make policy statements, particularly in opposition to the liberalisation of financial markets.<sup>34</sup>

Jackie Krafft and others tried to develop a strategy for the association. Using the system of Research Area Coordinators, they tried to move its main focus towards research in

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<sup>31</sup> For example, an email from Patrick McCartan of Cambridge University Press to Albert Jolink of 31 July 2009 noted a large unpaid bill from September 2008.

<sup>32</sup> Because of the lack of financial records, the exact costs cannot be verified.

<sup>33</sup> JOIE Foundation Ltd was not a shareholding company and hence EAEPE did not pay for any shares. The JOIE Foundation Ltd was dissolved and replaced by Millennium Economics Ltd in 2012. At the end of 2013 Millennium Economics Ltd had four shareholders: EAEPE, FEED, the Society for the Advancement of Socio-Economics (SASE), and the World Interdisciplinary Network for Institutional Research Ltd (WINIR). These shareholders are legally entitled to receive dividends from the profits of Millennium Economics Ltd. See <http://www.millennium-economics.com/index.htm>.

<sup>34</sup> Such policy pronouncements may run counter to the following clause in the EAEPE Constitution: '2.3 The Association is not wedded to any one partial political theory or ideology, or type of political theory or ideology.'

technology, innovation and the firm. But this led to severe disputes on the Council, including from members who wish to develop EAEPE as a broad (but vague, ambiguous and ill-defined) ‘heterodox’ association. The proposed new focus on technology and innovation was also contrary to the previous policy of EAEPE being ‘a pluralist forum’, which had been fanfared in Siena in 2001. Furthermore, it was being attempted without any general consultation with the EAEPE membership.

This was a serious attempt to address EAEPE’s strategic problems. But it would have faced the difficulty that technology and innovation were already well-covered in Europe by the well-established Schumpeter Association and the large and influential Danish Research Unit for Industrial Dynamics (DRUID). This was already a crowded niche.

Divisions within the association became more serious. There were destructive conflicts between the EAEPE Secretariat and some conference organisers over conference financing. EAEPE conferences varied in quality of content and organisation. Since 2001 there had been no upward trend in conference attendance, and the events have failed to attract a sufficient number of high-calibre researchers. EAEPE membership was estimated to be 321 in 2011, of which 147 were life members, confirming a long decline from the all-time peak of 703 in 1997.

Questions were also raised on the Council concerning financial transparency.<sup>35</sup> An atmosphere of conflict and suspicion was generated on a body that had generally maintained friendly relations. These problems escalated during 2010.

The dispute intensified between those who wanted to retain and enhance EAEPE’s diversity, those who wanted EAEPE to establish a policy profile critical of neoliberalism, and those who tried it to move in the direction of technology and innovation. Entrenched divisions began to appear on the Council. Albert Jolink was criticised for his conduct with the finances and for his 2009 attempt with John Groenewegen to change the administrative structure. In January 2011 he resigned as Treasurer of EAEPE, due to concerns about EAEPE’s ‘trajectory’ and a ‘last straw’ dispute with Hardy Hanappi.<sup>36</sup> But he willingly cooperated with Oliver Kessler, the new Treasurer, and wired most or all of EAEPE’s money.

## **2011: Showdown in Vienna**

Due to the resignation of Albert Jolink and the declared intention of Pascal Petit to stand down as President, a general election of the whole Council was called by the Council in April 2011. Jackie Krafft organised the ballot. The search was on for a substitute for Pascal as President. Cristiano Antonelli – a well-known scholar of technological innovation who had not been formerly on the Council – and Hardy Hanappi (an existing Council member) were nominated for this position.

On 27 July 2011 Jackie Krafft informed me of the results, saying that Cristiano Antonelli had been elected as President and herself as General Secretary. Also elected were several who had not been on the Council before. On 13 September Jackie emailed the EAEPE

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<sup>35</sup> On 28 January 2010 Jackie Krafft informed the entire membership by email of a plan to set up an auditing committee, but with the mistaken suggestion that this required a constitutional amendment.

<sup>36</sup> Email from Albert Jolink to Hardy Hanappi, Jackie Krafft, and Pascal Petit of 11 January 2010.

membership, noting that the ‘newly elected Secretariat and Council are inaugurated today’ and declaring Antonelli as elected President.

On 21 October 2011 Hardy Hanappi circulated a document entitled ‘For the Organizational Memory of EAEPE’. He accused a group within the Council of planning a ‘coup’ and of hatching a plot to ‘seize power’ as early as 2009. Jackie Krafft was accused of having ‘monopolized organizational power’ within EAEPE. It was alleged that she deliberately scheduled the elections in the summer months ‘to keep the voting count procedure secret’. The language was highly undiplomatic. The content was overly-personalized, it assumed conspiracy and malfeasance without evidence, and it contained several inaccuracies.

But the text made other very serious complaints. Most importantly, it was revealed that Antonelli was not a member of EAEPE. It was later confirmed, by those with access to the records, that he had enrolled as a member on 20 October 2011, sometime after he had been declared elected and had taken over responsibilities as EAEPE President.<sup>37</sup> This was in clear violation of the EAEPE Constitution.<sup>38</sup>

Hardy Hanappi also alleged that there ‘were some 20 ballots, all voting for Antonelli and for exactly the same set of council candidates, which all came from members who joined EAEPE during the election month.’ This was not against the rules, but if these 20 had not been signed up the outcome of the election would have been very different.

All this was enough to create serious concern among the membership. Hardy’s document became widely circulated and an intense email conversation developed. The outcome was explosive. On 25 October I emailed Jackie Krafft:

there is now a serious loss of trust, with one side making serious allegations against the other. It is very important that this is defused. The Secretariat has to appear concerned and fair, and try to represent the interests of the members, without appearing to be just one faction against the other.

The only solution at that point, I suggested, was to re-run the elections in a transparent manner. John Groenewegen advised Jackie to support this proposal, seeing it as ‘drastic’ but a ‘wise policy’. Jackie responded to both of us, explaining that she would take the suggestion to the Council, but she would resign personally if a new election were called.<sup>39</sup>

The Council did not decide to hold new elections and matters came to a head during the Membership Meeting held on 28 October, during the EAEPE Conference in Vienna. Cristiano Antonelli was not present because he had been called for jury service. Jackie Krafft said that she would act as chair in his absence. Pasquale Tridico objected, saying that someone more neutral should chair this potentially controversial meeting. The meeting agreed that Ulrich Witt and myself would chair the meeting jointly. Jackie was allowed to speak at length on the Council elections and she declared the results as valid. In response, speaker after speaker expressed deep concern. Former President Pascal Petit stood up and said that given all the

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<sup>37</sup> Email broadcast by Oliver Kessler, dated 24 October 2011.

<sup>38</sup> The EAEPE Constitution then read: ‘7.2 All Officers and members of the Council must be members of the Association.’ This is crystal clear, unless ‘be’ is somehow miss-read as ‘become’.

<sup>39</sup> Email from Geoff Hodgson to Jackie Krafft of 25 October 2011. Email from John Groenewegen to Jackie Krafft of 25 October 2011. Email from Jackie Krafft to John Groenewegen and Geoff Hodgson of 25 October 2011.

controversy, the elections should be held again. Jackie responded and said that she would resign if new elections were held. The meeting resolved that new elections for all positions would be held within three months, and the ballots would be counted by FEED. The motion was carried by 48 votes to 19. This, without doubt, was the most dramatic Membership Meeting in EAEPE's history.<sup>40</sup>

On the 30 October, Alex Coad, Davide Consoli, Alexander Ebner, Werner Hoelzl, Jackie Krafft, Massimiliano Mazzanti, Francesco Quatraro, and Andreas Reinstaller declared their resignation from the EAEPE Council and from EAEPE membership.<sup>41</sup> They rightly pointed out that 'very serious allegations against various members of the council have been circulated'. Their stated reason for their resignation was the EAEPE Membership Meeting had called an election of the entire Council 'without clearing these suspicions'. But it is difficult to see how such a meeting could have done this. A full and fair investigation would have been required, and this could not have been achieved by a single meeting. Furthermore, in private and at the Membership Meeting, Jackie Krafft had publicly declared a different rationale for resigning. She warned the meeting that she would resign if it resolved to hold new elections.

## **2012 and after: a new regime**

New elections were held. By January 2012 a new Council had taken over. A new leadership set out to rescue the association. It faced a very difficult task. Jackie Krafft had been in charge of the planned 2012 EAEPE Conference in Nice. An alternative location and organiser had to be found in a short period of time. Serious problems had arisen with the accounts, membership records and the website. Fieke van der Lecq acted as an auditor for EAEPE. She engaged with both Albert Jolink and Oliver Kessler, to reconstruct the accounts for 2010 and 2011. Albert wired the remaining small sum of money and closed the Rotterdam bank account he and John had used during their term of office.

EAEPE had sufficient goodwill to call upon longstanding members in Krakow to organise the October 2012 conference at short notice. The conference was well organised, in an attractive location. The attendance was good and the quality of the sessions was above average for EAEPE.

A number of people stepped forward to help the organisation over its difficulties. The new EAEPE Council made enormous efforts to save the association, improve its finances and internal transparency, and reverse its decline. Accounts and other vital information from 2012 became available. A number of subcommittees were formed to deal with important problems. Some changes were made to the EAEPE Constitution. The website was radically improved. Council meetings were no longer fractious and divisive. Trust was restored.

But on the other side of the balance sheet, some serious problems remained. Meetings of the Council remain overburdened with business and typically failed to get through large parts of their agendas. In part this resulted from a concern to allow fuller participation and enhance

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<sup>40</sup> On the following day, at the conference dinner, Hardy Hanappi apologised for his actions. He also apologised to various people in personal emails.

<sup>41</sup> The tragedy of this group resignation is underlined by the fact that Alexander Ebner, Werner Hölzl, Jackie Krafft, and Andreas Reinstaller had come to EAEPE via the 1996-98 summer schools. Several of them were also involved with JOIE. They were big losses for the association.

internal democracy. Without creating space for crucial, in-depth, strategic discussion on its Council, EAEPE would remain unable to face up fully to the ongoing strategic challenges.

EAEPE was also affected by the global economic crisis. University and research budgets were being cut and many researchers were finding it increasingly difficult to obtain funding to attend conferences. This compounded the difficulties.

At last, in 2013, EAEPE became legally registered (in Italy) and it became possible once again to set up a bank account in the name of the association, rather than an individual or individuals. Membership levels recovered, reaching 496 in November. The November 2013 conference in Paris attracted about 300 delegates. This was the second-largest conference in EAEPE's history.

## Conclusion

EAEPE has had a turbulent history, and has been dogged by its inception by key questions of identity and strategy. These bring important lessons for other associations that wish to reform and improve economics, hence trying it more relevant for the real world and its problems. The post-2012 leadership of EAEPE has made impressive efforts to turn the association around, and to improve its efficiency and quality. But the strategic future of EAEPE is still uncertain.

Clearly in some respects EAEPE has had a positive and enduring legacy. Through several summer schools and other events it has helped numerous young scholars. Despite the past problems involved, EAEPE must be credited for founding the *Journal of Institutional Economics*. Since 2012 this journal has been Thomson-Reuters listed, with a citation impact factor higher than for several comparable and long-established journals, such as the *Journal of Economic Issues*, the *Journal of Post Keynesian Economics*, and the *Journal of Institutional and Theoretical Economics*. The *Journal of Institutional Economics* is owned by Millennium Economics Ltd, of which EAEPE is a major shareholder.

Although sometimes EAEPE conferences have been of inferior quality, the range and scope of discussion within EAEPE has had few rivals. Conferences of several other major associations have become narrowly focused on an unimpressive range of topics. Models and econometric tests proliferate, with relatively little methodological reflection. By contrast, EAEPE has hosted lively and wide-ranging discussions on methodology, evolutionary theory, institutional theory and much else.

Since 2012 EAEPE has reversed its preceding 15-year decline in membership. Its recent conferences have been large by its own historic standards. Time will tell if EAEPE will adapt and meet the current strategic challenges.

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