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# TELEPOLIS

## The Battle for Change and Variety

*Niko Waesche 25.11.1997*

**Why the "digital revolution" will not change everything and why change will not be the same everywhere.**

Interview with Geoffrey Hodgson, Institutional Economist

In the early 1980s, one lecturer in economics at the University of Northumbria, UK, embarked upon a scholarly journey, switching from an intellectually quite fashionable field towards a niche that seemed at the time rather antiquated. Retrospectively, this move demonstrated foresight and timing.

Geoffrey M. Hodgson moved from being a "sympathetic critic of Marxism" towards institutional economics. Seen from the perspective of mainstream, neo-classical economics, this move was one from an established counter-doctrine to a minute, yet heretical strand of economics. In addition to being peripheral, however, institutional economics had collected some dust, its academic popularity in the United States dated back to the period before the Second World War. Its roots lay in the German Nationalökonomie of the previous century.

The Cold War made it possible for Marxist as well as neo-classical economists to almost completely ignore the existence of two things: institutional variety and technological change. Yet, both were important aspects of the international political economy, especially in the 1980s. And both were the stuff of institutional economics.

On the one hand, institutional variety was insuring that within both Cold War blocs distinct 'cultures' existed which made the Czech economy as distinct from the Chinese as the Japanese was to the American. Underneath the surface of the two blocs, therefore, variety was deeply rooted in history. On the other hand, technological change was increasing in speed and complexity in the 1980s, most important perhaps being the rise of 'intelligent networks' created by the convergence of computer, telecommunications and media technologies.

These two forces broke out into centre stage in 1989. Suddenly, it seemed as if the world was a patchwork of different, overlapping regions, nations and supranational entities.

Contemporary observers spoke of a return to medieval conditions. And intelligent networks had entered all aspects of our lives, transforming business processes as much as social interaction.

How exactly change manifested itself, however, depended on the specific, historically rooted institutional environment it was impacting upon. And change did not happen over night. Institutional approaches in the political sciences and economics were, therefore, in a unique position to explain how change was occurring in a world of variety.

Well before 1989, Hodgson made it his goal to 'modernise' institutional economics. His three most important books to date represent a step-by-step approach towards making a peripheral strand of economics into a robust discipline.

In his first major book with an institutionalist theme, "Economics and Institutions" (1988), Hodgson sought to critique mainstream economics and introduce the main themes of the institutionalist stance. In his second book, "Economics and Evolution" (1993) he explored the use of evolutionary ideas of change in economics, change being one of the most important concerns of institutional economics. In his current book, "The Political Economy of Utopia," just completed in draft form, he rigorously places changes occurring today into an institutional framework. Changes catalysed by increasing complexity and an increasing need for advanced knowledge are discussed in the detailed and inherently sceptical manner characteristic to Hodgson.

And he is emphatically European, if this is the right label for a stance that does not categorically rule out government intervention in the economy. This makes him distinct from most American institutional economists, the most famous being the economic historian Douglass North, who won the Nobel prize in economics in 1992. It puts Hodgson more in the camp of political scientists such as Peter Hall or John Zysman, who had similarly embraced institutional approaches in the 1980s.

Telepolis features Geoffrey Hodgson in an one-hour interview held in his office in the Judge Institute of Management Studies, Cambridge University.

### **The Battle for Change and Variety**

► Can you talk briefly about how your interests have changed in the last years and what you are working on currently?

**Geoffrey Hodgson:** My intellectual concerns have shifted very much in the last 20 years. In the 1970s, I was a sympathetic critic of Marxism. I worried about flaws in Marxism such as the labour theory of value and the theory of the falling rate of profit. I began to be interested in American institutional economics in the early 1980s, the decisive issue not

being the flaws in Marxism but the lack of a developed theory of human agency. Institutionalism seemed to address questions of human agency in more depth and detail than Marxism.

However, I still have mixed feelings about American institutionalism. I regard it, on the one hand, as an incomplete research programme. It was never completed by [Thorstein] Veblen, [John] Commons or by any of their successors, including Europeans like [Gunnar] Myrdal, [Karl] Polanyi and [William K.] Kapp. On the other hand, it has enormous potential. Despite what many uniformed people say, it is enormously topical, and quite modern in its philosophical foundations and approach. Increasingly, my work has attempted to clear the ground and begin to reconstruct a modernised version of the old institutional economics.

▶ Why are institutions so important?

**Geoffrey Hodgson:** Institutional economists take the view that social reality is made up largely of institutions; they are the stuff of social existence. In a world of complexity and variety, institutions are ways of creating behavioural norms, fixing behaviour, and thereby generating expectations for other people. Without institutions we would literally be in chaos. We rely on them- tacitly or consciously- all the time. For example, when we write out a cheque we assume that the bank exists, that the money will be honoured, that property rights will endure, that there are specific protocols of business, and so on. There are many things that we take for granted, many of which we don't even think about. We simply could not function as social beings without social and economic institutions.

▶ So the Internet is just as much an institution as everything else?

**Geoffrey Hodgson:** We have to be careful about definitions here. Institutions are defined slightly differently by different theorists, but I think the kind of definition that I would accept is a fairly general and widely accepted one: it would be that institutions are habits and behaviours that are shared by a group of people, which may or may not have a technological expression, and may or may not have an organisational form. Some institutions are organisations; a university or a bank is an institution of this type. But in addition to organisations- such as universities and banks- we have further institutions like language, law, table manners and traffic rules.

By those criteria we can also treat the Internet as an institution, as an established and partially organised network. It has strong elements of self-organisation within it: a spontaneous order created by people interacting, without being ordered by anybody or directed by any central command. Nevertheless, the Internet was organised, it was set up by groups of people. Today the Internet has a life of its own: it has both organised and

unorganised aspects to its existence. There is a protocol concerning the Internet. We behave in certain ways in relation to it. Rules have been established. There are technological constraints as well. Yes, it is an institution.

► I would be tempted to ask you, then, if so many things are institutions and it is such a broad term, what does a statement such as 'the Internet is an institution' tell us about the Internet which we don't already know?

**Geoffrey Hodgson:** I agree with an implication of your remark. To say that something is an institution does not tell us much about the type of institution it is. Nevertheless, I would concur with a broad definition of institution on the grounds that, in line with the point that I have already made, institutions are the stuff of social life. This is a way of seeing social behaviour that is quite different from many traditional ways of viewing it. In much of social science today we are drawn a picture of people as atoms, with given preferences, trying to maximise utility, or act according to some pre-given reasons. This is the 'de-institutionalised view' of human agents and their context. When institutions come into this picture they come in as constraints, as things you simply bump up against, or prevent you doing things, rather than things which help you act. So whilst I hold a very general definition of institutions - which concurs with other writers such as Max Weber, Thorstein Veblen and Emile Durkheim, for example, I am also doing that to reinforce this analytical point.

Still, simply saying that something is an institution does not tell you much more than that. We need a taxonomy of different types of institutions. One element of this taxonomy that I have already touched upon is the distinction between two broad types of institution: on the one hand, organisations, and, on the other, institutions that are not organisations. Organisations are a subset of the set of all institutions.

There are various attempts at taxonomising in this area. However, one of the problems in achieving consensus between theorists is that once you start doing a taxonomy and trying to establish some terms then it all seems to depend very much on the kind of view you take about the human agent, and his or her relationship to the institution. As yet there is no consensus on this fundamental question. At the root of some different taxonomic approaches are some quite different conceptions of human agency. Creating common ground is difficult. A major writer in this area such as Douglass North- who received the Nobel Prize in 1992 for 'Institutional Economics'- is changing his views quite dramatically. Even in the last eight years he has moved quite considerably, coming away from an atomistic view of the agent to something quite different.

▶ You are saying that it is critical to examine the underlying assumptions institutional approaches make of agents and their context. Another important aspect may be the way institutions react to change, the way they change and how they resist change. Now to my question: So-called 'futurists' such as George Gilder have predicted the demise of the old national telecommunications players, many others are discussing the 'withering away' of the nation state. Do you think that older institutions such as large telecommunications corporations or the nation state are breaking apart under the pressures of the global networked economy? Or are they functioning as institutions do, insuring their stability throughout time?

**Geoffrey Hodgson:** May I answer that in two parts? The first part would be general statement: I agree with you very much that we do need a theory of how institutions come into being and how they change. That is why institutional economics is very much linked to what is called 'evolutionary economics'. Evolutionary ideas are used to try and understand how institutions develop, come into being, mutate, combine with other institutions and so on. The general point about the importance of explaining institutional change is well taken.

In response to the second part of the question, on the effects of global forces on the nation state and other institutions, I think one has to be very careful. There is an ideological agenda in some of these statements. A lot of the arguments alleging so-called globalisation are really yet another justification for age-old for laissez-faire policies: again trying to establish the proposition that the state should have a minimal role. Whether that is true or not, I think we should be cautious about analyses which are too ideologically motivated. We have to take a detached view, and not suddenly reach the conclusion that globalisation means that the nation state cannot have any effect on the world economy.

There is a very good book by Paul Q. Hirst and Grahame Thompson called 'Globalization in Question' [1996]. They give a largely convincing rebuttal of the view that the nation state is disappearing. My own view would be very much in line with that: one the one hand we do have very strong globalising forces, particularly in terms of communications. We can travel around the world more quickly and more cheaply than we ever have been able to do before. Places are not so physically remote. In addition, we have this enormous expansion in electronic communications. These are very important forces in the world. Comparing the world today with the world as recently as 30 years ago, or even 20 years ago, the changes are dramatic. This must have had a major effect on institutions. In addition, we have huge flows of finance capital around the world. These diminish the power of national institutions to have leverage their own economic affairs. But this, emphatically, does not mean the nation state is disappearing from view. What it means is that the nation state is limited and

constrained in what it can do to control of financial flows, and in terms of macroeconomic policy.

But the state is also playing a part along with other institutions in reacting to this changing world. I have in mind particularly the growth of supranational institutions, such as the European Union and other similar economic and political unions elsewhere in the Americas and in the Far East. These are very much a deliberate response to the globalisation which we are discussing.

In short, I agree that increased and enhanced communications have enormous effects. But it is far too soon to say goodbye to the nation state.

▶ When you answered the last question you also spoke of evolutionary economics. This question enters that whole range of ideas. In your texts you describe how neo-liberal ideas and associated concepts of competitive individualism are based on an antiquated understanding of evolutionary theory. What does advanced evolutionary theory teach us about institutional 'fitness?'

**Geoffrey Hodgson:** I think that institutional economists can learn a lot by looking at biology. This is not to slavishly imitate or appropriate ideas from biology, but actually to learn about the type of problems you can come up against in complex, living systems. The philosophy of biology is particularly instructive in this area, and a number of relevant points arise in recent writings.

One point that emerges is that 'fitness' is a slippery concept in biology. It is a very important and central concept to post-Darwinian biology, in all its forms. But nevertheless it is a difficult concept to pin down. If you want to take the concept of fitness from biology, you cannot simply assume that, for example, that in the economic sphere this means profit-maximising. It may mean that, but not necessarily.

In the biology, something that is fit is something that has adapted to its environment. Adaptation doesn't necessarily mean maximising behaviour, it could mean satisficing behaviour (in the sense of Herbert Simon).

Another point that emerges very strongly in sophisticated biological writings in this area is that both sides of the equation have to be considered. I just said that fitness is an adaptation to the environment. Many people, when they over-hastily bring these ideas into the social sciences and into economics, forget one half of the equation: they simply assume that the environment is given. A good example of this is the work Oliver Williamson, who has repeatedly attempted to justify the alleged efficiency of the hierarchical firm, simply on the grounds that one can look out there in the real world and

see more hierarchical than non-hierarchical firms. But this doesn't prove the argument. I am not saying that Williamson is necessarily wrong, but that he has not justified his conclusion. What survives in a given context may depend on that context. For example, in the Basque region of Spain, we find financial and other institutions which are much more sympathetic to worker co-operatives. Hence, if you change the financial or institutional environment in which firms operate, then different kinds of firms may be selected. 'Fitness' is context dependent. It is an adaptation to an environment. Existence doesn't imply universal efficiency, in part because efficiency is context dependent.

There is another, related problem that has its parallel in biology. There may be a class of objects that do not come into existence, which would be fit in the particular environment we are considering. The problem is, that they are not born. There may be a type of firm or a structure of firm which for various reasons doesn't emerge, yet it could be of superior efficiency. Williamson and others have ignored these issues. Yet biology gives us clear warnings about the conceptual problems.

► Or, there could be firms existent now, which are not necessarily 'fit' for the current environment but may be 'fit' for future environments.

**Geoffrey Hodgson:** Exactly. Or vice versa. They may be 'fit' for today's environment but not very 'fit' for tomorrow's. This has all sorts of implications. For example, take the Japanese firm. The celebrated view of the Japanese firm has a superior management structure to many Western - particularly Anglo-American- firms. However, some research suggests that Japanese firms depend on a stable macroeconomic environment. With just-in-time production there may be a reliance not simply on the firm's organisational capabilities but also on a relatively stable macroeconomic situation. Fluctuations in demand conditions for the product should not be too severe for the system to work effectively. If this argument is correct, then just-in-time production may be very good for Japan, with (until recently) a buoyant and fast-growing economy, but less suitable for a more volatile economy, such as the British one. That would severely qualify the ability for Japanese organisational implants to prosper in Britain. You can't take it for granted that just because Japanese firms do well in Japan that that form of organisation will do well in the UK.

► Neither should we take it for granted that certain forms of firms, for example small, venture-capital financed firms are more fit than large, national telecommunications players in the so-called network economy. Institutional approaches always tell us to be careful and look at the shifting and changing context in detail.

**Geoffrey Hodgson:** Absolutely. For similar reasons we don't get anywhere by slavishly imitating propositions from another domain of study- for example biology- and then transplanting them to economics. Biology itself warns us about over-generalisations, and gives us no more than indications of the kind of things that you have to look into when making statements about the world.

► In your writings you also talk about the development or evolution of capitalism being insured by variety. This variety is to be found in different business cultures. Do you think that this variety could be slowly disappearing today and what would be the consequences of this type of disappearance?

**Geoffrey Hodgson:** There is certainly the possibility of variety diminishing. In part this is because socio-economic evolution is very different from biological evolution. In biological evolution there are two major sources of variety, two major means by which variety is continuously replenished. One source is mutation of the DNA, which happens fairly slowly and infrequently in evolutionary time but nevertheless is an important force creating variety. Another, which is very important in the biological sphere, is sexual recombination.

However, in the socio-economic sphere, we have no precise analogues to these mechanisms. Certainly, there is no obvious analogue to sexual recombination.

Institutionalist writers such as Thorstein Veblen and John Hobson wondered about this problem, and what the sources of innovation were. Veblen used his famous, semi-satirical phrase 'idle curiosity'. He thought that when people are not being particularly pressured or motivated, they may fall across new ideas by accident, by curious investigation into things, or by serendipity. That would be one source of variety in the system. But this does not always happen, as Veblen himself indicated, particularly given the pressures of business life, of routinisation and of the mechanical specification of work practices. These developments drive out innovation, and this is one of Veblen's interesting insights.

If it is true, then there is a severe danger of sources of variety in a socio-economic system being insufficient to create fuel for evolutionary selection. The forces of globalisation are also relevant here. For example, we have a dramatic decline in the number of languages in the world, and the related loss of local customs. Instead, today in the developed countries, we have a Mac Donald's on almost every corner, and a television in almost every household. Global Americanisation means a global culture, thus compromising other cultures. There is thus a danger of a diminution in variety and the consequent danger of socio-economic evolution stagnating.



However, this would be a very long process. Even within a unifying Europe, and despite the processes of Americanisation of European culture, there is a great degree of remaining variety in European institutions. There is a huge variety in language, forms of organisation, firms, social behaviour, food- all these things. It will be a pretty long-term process to envisage the extinction of all that variety. So there is always the possibility of evolutionary regeneration. Furthermore, once we have warned of the problem of the diminution of variety then we can see that we need to create a social system which encourages innovation, fosters variety, promotes novelty, and cherishes different ways of thinking about the world. There is no need in principle to be pessimistic on this score.

▶ Don't local institutional arrangements, local business cultures, also influence the course of globalisation? Doesn't every country globalise in a different way?

**Geoffrey Hodgson:** Absolutely. This relates once again to the mistaken and over-simplistic globalisation thesis. Once again, this comes down to my earlier point that institutions are the stuff of social reality. Institutional change is always very complex and institutions are always very dense and tangled. For example, in Japan, or China, or the former Eastern Bloc countries, we can see that- despite the immense changes that have occurred in the last 20 years and the strong pressures of Americanisation and globalisation- they are always obliged to make use of their own history. They have to build and to rebuild, making extensive use of institutions which they have inherited from the past. So in all these cases we find a synthesis, of elements of an enduring culture and resilient institutions, alongside new ideas and new ways of doing things. The old and the new combine. There is enormous path-dependency in national and institutional evolution.

You simply can't turn the clock back and start again and assume that every country is going to go through the same linear process. Precisely for this reason, socio-economic systems are always a combination of dissimilars. There involve layered and tangled practices and institutions. Each embodies the accidents and designs of their own unique past.

▶ Institutional economics and evolutionary economics stress, among other things, the study of the individual firm and the know-how it contains in the form of routines. With so many management theorists today predicting the demise of the firm as a hierarchical entity and as a unit with defined borders, would it be reasonable to say that the centre of know-how will shift from the firm to the individual?

**Geoffrey Hodgson:** This is another question which interests me. There are at least two major issues here. The first one concerns the issue of the boundaries between the firm

and the market or, generally, between the firm and the exchange relations based on property rights and contracts. The second concerns the locus of knowledge.

Concerning the question of the boundaries of the firm, frankly I think there is a lot of nonsense talked here. The problem with so many statements in this area is that they lack a clear definition of a firm, of a market and of exchange. Many of the alleged cases of the demise of the firm, or of the removal of the boundaries of the firm, or of the penetration of market relations into firms, on inspection do not turn out to sustain what is claimed.

For example, consider so-called 'internal labour markets'. Sure, there is mobility inside firms; yes, there is competition between employees for promotion. They are forms of competitive relationship between people inside the firm. There are developments internal to the modern firm which involve a degree of fluidity and it is important to recognise that. But they are not labour markets. This is because inside the firm there is already a contract between every worker and the employer. This can be amended and frequently is. But the worker is not on the labour market if he or she is already inside the firm and already contracted to an employer.

There are other celebrated cases, like Benetton for example. These are often heralded as showing the dissolution of the conventional form of the firm. Benetton is an important phenomenon and a very interesting case. We must recognise that the world is changing, and the form of the firm is changing. Within Benetton there is a central operation, the nucleus, which is connected to the Benetton brand name, controls the marketing and the advertising, and strategically co-ordinates the activities of a number of other organisations. When Benetton produces an item of clothing it is a collaborative effort of the marketing and distribution nerve centre with a number of densely connected subcontractors. They may be very specific kinds of subcontracts, but legally they still constitute a subcontracting relation between one firm and another. The existence of Benetton does not imply the dissolution of the distinct legal and organisational entity of the firm. As in many other cases, Benetton's products are the result of the joint activities of the brand-name firm and its suppliers. In this respect Benetton is not that special.

In 1972 the great institutional economist G. B. Richardson published an article in the *Economic Journal* arguing that typical relationships between firms are not of a straightforward market type. Firms are not islands in a market sea. A typical relationship between firms is one of close, relational collaboration. Only occasionally do firms go to the open market. However, the relationship between firms discussed by Richardson is still one involving the contractual exchange of goods and services.

I am interested in the ways in which standard notions of property and contract are evolving due to important changes in the modern world, but we are far from having gotten rid of property rights and contracts. These are still important institutions. We understand much of the relationship- albeit not all of it- between economic actors, and between economic organisations, in terms of concepts such as property and contract.

Again, there is an ideological agenda behind many of the statements about the alleged dissolution of the firm. If you think in those terms then you are indifferent to statements about the complete marketisation of everything. If the market is already everywhere then we cannot understand or recognise any further invasion of the market into social or economic life. With no clear and specific definition of the market, it can thereby be regarded as 'normal' or 'natural'. It is only by a clear understanding of the institutional nature of markets and commodity exchange that we can reach an adequate understanding of their role, and reach appropriate policy conclusions. We may then find that the market is a useful institution in some contexts, but not in others.

To summarise my argument, I would say that much of the thinking by others in this area stems from very loose and sloppy definitions of terms like 'market' or 'firm'. It is vital to recognise that reality is changing a great deal and new forms of relationships between firms, including networks, are very important. But this doesn't mean that the firm is disappearing. It means that the firm is changing in both its form, and in its typical relationships with other firms.

I am rather amused by many of these statements alleging the disappearance of the firm. They are often not carefully scrutinised and theorised. One thing that institutional economics can teach us is to be very, very careful about our definitions of different institutions. For instance, we have to distinguish carefully between exchange relationships and market relationships. Market relationships imply something that is relatively open and competitive. Exchange relationships are defined more broadly, to include relational exchange. In addition, we have to define carefully the notions of property right and contract. We have to analyse different types of contract, and their evolution through time. We have to define carefully what is a firm and what is a non-firm.

To move on to the second part of your question. I know that some people have argued that knowledge is shifting from the firm to the individual. What sense can we make of that statement? Knowledge always has both individual and group components to it. It also has levels to it: which is an important, let me explain why. Much of our knowledge is tacit: we take it for granted. Psychologists know that much of our interpersonal communication is not based on explicit expressions. Much of our consumer behaviour is triggered by signals

of which the consumer is not fully aware. Many marketing studies underline these points. In general, when we communicate with each other, in terms of signals, body language and other kinds of behaviour, there is a tacit level of communication that is not fully appreciated by the people involved. Knowledge can have similar properties. If we know how to ride a bicycle, this does not mean that we can teach somebody else how to ride a bicycle very easily. It is embedded in our habits.

I am sympathetic to the view that knowledge is both organisational - contained in the group - and individual. Knowledge is individual in the sense that the individual has the habits, ideas and arrangements of the brain cells, that are the basis for the knowledge. However, because we always rely on interpersonal cues, triggers, signals and indications of meaning, then there is a group aspect to all this as well. There is such a thing as organisational learning, involving interlocking routines and habits, with both individual and group aspects.

If anything, I would say the nature of modern, complex production processes means that knowledge is becoming more collective than individual. The degree of complexity involved means that teams have to do much of the work. Less work is possible on an isolated, individual basis. Accordingly, much of the skills and knowledge held by agents in the production process is essentially held together by groups. There are cases quoted by Sidney Winter- who also holds a view similar to mine on this issue- of production teams breaking up. People who tried later to reassemble the production teams, by gathering together the individuals involved, found that the workers had lost much of the tacit knowledge involved in the routines, and in the ways that they signalled to each other what they were each doing. Even if they had become a bit rusty after an interval of time, individual skills had not vanished. (A brain surgeon is still a brain surgeon after six months' holiday.) But when there are dense, complex interconnections between people, and these are removed temporarily, then they are sometimes very difficult to put back together again, particularly as much knowledge is tacit. This again reinforces the earlier point I made about the importance of institutions and routines as the stuff of social reality.

### **Addendum: Short Biography and Selected Publications**

Geoffrey Hodgson Short Biography

Date of Birth: 28.06.46. Place of Birth: Watford, UK.

### **Education**

1968 B.Sc. in mathematics and philosophy, University of Manchester. 1974 MA with distinction in economics at the University of Manchester. 1995 MA University of Cambridge. 1997 Litt.D. University of Cambridge.

## **Employment**

From 1992 University Lecturer in Economics, University of Cambridge, Cambridge, UK, at the Judge Institute for Management Studies. Previously Professor of Economics, University of Northumbria.

Visiting Research Fellow at Kansai University, Japan, the Austrian Academy of Sciences, Vienna, the Center for Interdisciplinary Research (ZiF), University of Bielefeld, Swedish Collegium for Advanced Study in the Social Sciences, Uppsala.

Published seven books as sole author, two additional ones are forthcoming. Edited six books and contributed 53 articles in economics and political economy journals and 95 articles in books and reference works. In the 1970s, many focused on faults in Marxist analysis, such as the labour theory of value and the theory of the falling rate of profit. From the 1980s, increased concentration on institutional and evolutionary economics. Emphasis on changes to technology, economic and social institutions and productivity.

Editor or Member in the Editorial Board of several academic journals in economics and political economy.

## **Three Recent Works**

### **"Economics and Institutions"**

Polity Press, Cambridge, and University of Pennsylvania Press, Philadelphia, 1988. (Also in Chinese, Italian, Japanese and Portuguese editions.)

"This book was in part a critique of mainstream economics and partly an appeal with some suggestions of my own concerning a direction in which economics could go."

### **"Economics and Evolution"**

Polity Press, Cambridge, and University of Michigan Press, 1993. (Also in Spanish and Portuguese Editions.)

"Here, I explored the potential and limitations of using evolutionary ideas, particularly evolutionary ideas from biology in economics."

### **"The Political Economy of Utopia"**

Routledge, London (in preparation).

"I have just completed this book which, despite its title is close to the theme of the previous two. In it, I argue that thinking about the future is a theoretical task where we are obliged to be critical of mainstream theories because of certain crucial limitations. I also suggest ways in which the world could change and the way institutional economics can help us understand those changes. And my future work will address very much the problem of understanding what institutional economic theory is, why it was not a completed project during the 20th century and what should be done to complete it in the 21st century."

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