

# CONFERENCE

A theory of economic evolution

Pivotal questions

An international conference at Aarhus University



Centre for Business History, Aarhus University is celebrating its 10<sup>th</sup> anniversary by arranging an international conference.

13<sup>th</sup> and 14<sup>th</sup> June 2013

Aarhus University, building 1324, room 011

The focus of the conference is on the following six issues, which are pivotal to economic theory:

1) The ontological foundation of economic theory

Any theory has to specify its ontological foundation. A theory of economics has to be based on an explicit statement of what constitutes the economy.

2) Population dynamics

If conceived as an endless number of human acts (actualisations of ideas or rules), the economy may be analysed from a population theoretical perspective, where economic actors form part of a vast number of populations. Conversely, a proper analysis of the economy does not allow an atomistic perspective. The analysis of the dynamics of economic populations is of paramount importance.

### 3) The economic system and its limits

Economic acts take place in different fields of action: at one end, the field of the market (with the highest degree of autonomy); at the other end, the field of political decision-making (with the lowest degree of autonomy); and, in between, other fields of action, which are mainly characterised by being neither the field of the market nor that of political decision-making. In a narrow sense, the economic system is based on the market. Not all parts of the economy are of a systemic nature, however. Demarcating the systemic parts of the economy is, thus, necessary for distinguishing between endogenous and exogenous factors and also relevant to the discussion of different levels of aggregation.

### 4) The societal embeddedness of economics

The economy – both the economic system and the parts of the economy which are not of a systemic nature – is embedded in a wider societal context, i.e., in an interplay between economic and political, cultural, environmental and demographic social factors. The economically relevant interfaces between the societal sectors need to be specified. In this respect, the problem of economic coordination is of central importance.

### 5) Secular and recurrent factors of economic growth

The economic dynamics are the outcome of both secularly and cyclically or, rather, recurrently working factors. Evolution is a cumulative process creating sequences of trajectories in a recurrent pattern but under secularly changing conditions. Ordinary growth accounting based on production factor analysis is unable to provide a satisfactory analysis of this process. Hence, there is a need for a theory based on a clear distinction between secular and cyclical factors.

### 6) Cycles and waves

Business cycles may be conceived as the unintended patterns of the systemic evolution of the economic system. They may be analysed as population dynamics, i.e., as the changing distribution of different types of behaviour in a vast number of economic populations. Business cycles are embedded in a pattern of changing growth regimes (i.e., long waves) governed by changing configurations of the dominant technological constellation.

## **Program**

*Aarhus University, building 1324, room 011*

*Thursday June 13th*

*13 -17 (1-5 p.m.)*

13 Welcome

13.10 Keynote speech

Professor Kurt Dopfer, University of St. Gallen: The ontological foundations of economic theory

13.40 Discussant: Professor Finn Olesen, Aalborg University

13.55 Discussion open to all participants

14.10 Keynote speech

Professor Koen Frenken, Eindhoven University of Technology: Some remarks on population dynamics in evolutionary economics

14.40 Discussant: associate professor John Howells, Aarhus University

14.55 Discussion open to all participants

15.10 Coffee

15.40 Professor Thorbjørn Knudsen, University of Southern Denmark: Adaptation on Multiple Levels

16.10 Discussant: Associate professor Kurt Pedersen, Aarhus University

16.25 Discussion of the three lectures of the day open to all participants

*Friday, June 14th*

*9-13 (9 a.m. – 1 p.m.)*

*(The session begins at 9 sharp, not 9.15)*

9 Keynote speech

Professor Ulrich Witt, Director of the Evolutionary Economics Group at the Max Planck Institute of Economics, University of Jena: Cultural Evolution, Economic Growth and Human Welfare -- A Drift Process?

9.30 Discussant: Associate professor Peter Kesting, Aarhus University

9.45 Discussion open to all participants

10 Professor Lennart Schön, University of Lund: Secular and recurrent factors in economic growth

10.30 Discussant: Professor Niels Kærgaard University of Copenhagen

10.45 Discussion open to all participants

10.45 Coffee

11.15 Director Jørgen Fink, Centre for Business History, Aarhus University: Growth regime and helix of growth

11.45 Discussant: Professor Peder J. Pedersen, Aarhus University

12 Discussion of the six lectures of the conference open to all participants