

Perspectives and Reflections
on the 30th Anniversary of
An Evolutionary Theory
of Economic Change

ACAC 2012
Plenary Session

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Important but Different Impact

Evolutionary Theory of Economic Change 1982

- bounded rationality/
sub-optimization/
local search/
- evolution determined
by population behavior
- formal simulations/
no empirical work

Subsequent Scholarship for Evolutionary Economics

- industry life cycle:
Klepper et al.
- incumbents & entrants:
Henderson; Christensen
- technological trajectory:
Dosi; Freeman; Pavitt
- national innovation systems:
Mowery; Rosenberg

Source: Nelson & Winter, 2002,
Journal of Economic Perspectives

Important but Different Impact

Evolutionary Theory of Economic Change 1982

- bounded rationality/
sub-optimization/
local search/
- evolution determined
by population behavior
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Subsequent Scholarship for Evolutionary Economics

- explicit optimization
- evolution determined
by constraints on choice /
focus on nature of constraint
- empirical work/
testable hypotheses

Book vs. Social Movement

Market Rebels: How Activists Make or Break Radical Innovations
Hayagreeva Rao (Princeton, 2009)

Hot Causes: Arouse emotion; engage core community;
individual behavior

Cool Mobilization: Formal organization; engage broader audience;
informal networks

Book vs. Social Movement

- 1980 Founding co-editors Journal of Economic Behavior and Organization (Day & Winter)
- 1983 Yale survey of industrial R&D (Levin, Klevorick, Nelson, Winter)
Brookings Papers on Economic Activity 1987
- 1987 Conference on 50th anniversary of Coase article (Williamson & Winter) leads to Nature of the Firm 1991
- 1988 National Innovation Project studies 15 countries (Nelson, et al.)
leads to National Innovation Systems 1993

Book vs. Social Movement

- 1988 Consortium for Cooperation and Competitiveness (CCC) founded; leads to first doctoral consortium 1994 at CMU
- 1994 Carnegie Mellon survey of industrial R&D (Cohen, Nelson, Walsh) Management Science 2002
- 1994 Project: Systems Analysis of Economic and Technologic Dynamics Laxenburg, Austria (Dosi, Nelson, Winter) leads to Dynamics of Organizational Capabilities 2000

Book vs. Social Movement

- Science:**
- A collected body of demonstrated truths
 - Observed facts collegiated under general laws
 - Trustworthy methods for the discovery of new truths

Oxford English Dictionary

Science: Builds and organizes knowledge in the form of testable explanations and predictions

Wikipedia

Brahe: collected data on planetary motion

Kepler: recognized pattern for planetary motion

Newton: determined mechanism for planetary motion

Book vs. Social Movement

Focal Point:

A distinctive item that becomes the default for mutual though uncoordinated choice

Thomas Schelling
Strategy of Conflict

