

# Complexity and the Economy

Implications for Economic Policy

---

*Edited by*

**John Finch**

*Senior Lecturer in Economics, University of Aberdeen  
Business School, UK*

**Magali Orillard**

*Professor, GREQAM, Université Paul Cézanne Aix-Marseille  
III, France*

IN ASSOCIATION WITH THE EUROPEAN ASSOCIATION FOR  
EVOLUTIONARY POLITICAL ECONOMY

**Edward Elgar**

C

Cheltenham, UK • Northampton, MA, USA

# Contents

---

|  |      |
|--|------|
| <i>List of figures</i>   | vii  |
| <i>List of tables</i>  | viii |
| <i>List of contributors</i>  | ix   |
| <i>Acknowledgements</i>  | xi   |
| Introduction: the scope of complexity and its implications for policy<br><i>John Finch and Magali Orillard</i> | 1    |

## PART I THE DEVELOPMENT OF COMPLEXITY PERSPECTIVES

1. Complexity and the economy: an interview with W. Brian Arthur 17  
*W. Brian Arthur interviewed by Robert Delorme and  
Geoffrey M. Hodgson*
2. Individual and aggregate behaviour: of ants and men 33  
*Alan Kirman*
3. Complexity needs strategy first rather than simplification.  
Why I am a satisficing and unrepentant Simonian 54  
*Jean-Louis Le Moigne*

## PART II THEORETICAL PERSPECTIVES ON COMPLEXITY

4. From possession to property: preferences and the role of culture 77  
*Uta-Maria Niederle*
5. Landscape of a prolific convergence: Fernand Braudel and  
institutional economics 105  
*Eyüp Özveren*
6. The Naturalist view of Universal Darwinism: an application  
to the evolutionary theory of the firm 127  
*J.W. Stoelhorst*

## PART III COMPLEXITY IN ORGANIZATIONS

7. Trust and transaction costs 151  
*Alexander Lascaux*

8. Trust in post-bureaucratic organizations 172  
*Gráinne Collins*
9. Two complex lighthouse production systems: the mixed  
English and the centralized French systems 191  
*Elodie Bertrand*

#### PART IV COMPLEXITY, STRATEGIES AND POLICIES

10. Complexity and industry evolution. New insights from an old  
industry 209  
*Virginia Acha and Stefano Brusoni*
11. The codification of technological knowledge, technological  
complexity, and the division of innovative labour: a case from  
the semiconductor industry in the 1990s 237  
*Norio Tokumaru*
12. Technology strategy and knowledge dynamics: the case of  
biotechnology 258  
*Lionel Nesta and Ludovic Dibiaggio*
13. Comparing post-socialist employment 'informalization' in  
the Czech Republic and Hungary 283  
*Cristina Matos*
- Index* 307