

# On the Reappraisal of Microeconomics

Economic Growth and Change in a Material  
World

---

**Robert U. Ayres**

*Novartis Professor Emeritus of Management and the  
Environment, INSEAD, France, and Institute Scholar,  
International Institute for Applied Systems Analysis (IIASA),  
Austria*

**Katalin Martinás**

*Professor of Physics, Roland Eötvös University (ELTE),  
Budapest, Hungary*

**Edward Elgar**

Cheltenham, UK • Northampton, MA, USA

# Contents

---

<i>List of figures</i>	vi
<i>List of tables</i>	vii
<i>Acknowledgments</i>	viii
<i>Introduction</i>	x
1 Models of human behavior	1
2 Micro-foundations of economics	14
3 Economic agents, actions and wealth	35
4 The Z-function	63
5 Decision-making strategies	80
6 Dynamics	93
7 From agent to aggregation	107
8 The drivers of long-term growth: knowledge, technological change and radical innovation	131
<i>Appendix A Money and credit</i>	143
<i>Appendix B Balance equations; accounting relationships</i>	150
<i>Appendix C Explicit representations of value and wealth functions and supply–demand curves</i>	157
<i>Appendix D Properties of the matrix <math>L</math></i>	175
<i>References</i>	180
<i>Index</i>	195