

**The Endogenous Growth Theory:
A Lakatosian Case Study in Program Adjustment**

Mario Pomini

Abstract

In the mid 80s, growth theory experienced a remarkable revival and became once more a very active area of macroeconomic research. Starting from the seminal articles by P. Romer (1986) and R. Lucas (1988), the research took a precise direction in the sense that, in contrast to the earlier neo-classical view, it called for an endogenous determination of technological change, which means an endogenous determination of the sources of growth.

In this work we will try to analyse the evolution of neo-classical growth theory from the Lakatos perspective. A Lakatosian analysis shows that neo-classical growth theory can be considered as a relevant research programme and, moreover, that the recent theories brought about a change not only in the heuristics of the dominant programme, as in the sixties, but also in the hard-core proposition. A Lakatosian perspective can, therefore, provide an explanation for the fact that the increasing returns approach developed in the sixties was not incorporated in the dominant program until the late 80s. Following Remenyi, the new growth theory may be considered not so much a new research programme but rather a new articulation of the dominant programme which has led to the formation of a new demi-core capable of adapting the previous one to the new developments within macroeconomics as a discipline.