

The Evolutionary Perspective on Growth

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The interest in economic growth, central in the classical writers, declined in the first half of the 20th century and re-emerged during the post-World War II period under the need of explaining the rapid growth of the American economy. The revised version of the Solow's model already pointed out the significance of technological change (without, however, specifying how important it should be) in explaining economic growth. Although the Solow's model accounting for technical change explained the stylised facts, the main problem appeared to be the impossibility to distinguish between a move along the production function and a shift in the production function. Further theoretical developments on growth have attempted to solve this problem.

Endogenisation of technological change has been the main aim of new growth theory (NGT), which, in line with the neoclassical tradition, still treats technology as a freely available and easily transferable good. Besides the mainstream approach to economic growth, heterodox alternatives have also tackled this issue. Within this context, the development of an evolutionary growth theory can be read as an attempt to overcome the limits of the neoclassical tradition in order to provide a more in-depth understanding of the growth phenomenon. By adopting a dynamic setting fed by a selection mechanism, evolutionary growth models are microfounded and grounded on a concept of technology broader than the neoclassical one.

The aim of this paper is to provide a critical review of the evolutionary models which propose an alternative perspective to mainstream economics on growth.

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