

# Evolutionary Economics

## An Essential Reading List

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26 books • 6 categories • 1898–2018

Evolutionary economics understands economic systems as dynamic and innovation-driven, best explained through processes of variation, selection, and retention – much as in biological evolution. This list spans the field’s foundational texts, modern syntheses, and accessible introductions, from Schumpeter’s creative destruction to complexity theory and behavioural economics.

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### Foundational Texts

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#### 1. An Evolutionary Theory of Economic Change

*Richard Nelson & Sidney Winter, 1982*

The seminal book that established evolutionary economics as a serious field. Challenges neoclassical assumptions of profit maximisation and market equilibrium, borrowing the concept of natural selection from biology to construct a detailed evolutionary theory of business behaviour.

#### 2. The Theory of Economic Development

*Joseph Schumpeter, 1911*

The classic precursor introducing the entrepreneur and ‘creative destruction’ as the engine of economic change. Schumpeter lays the groundwork for understanding innovation-driven dynamics in capitalist economies.

#### 3. Capitalism, Socialism and Democracy

*Joseph Schumpeter, 1942*

Expands on creative destruction and how capitalist dynamics drive long-run transformation. Essential reading for understanding Schumpeterian evolutionary thought and its implications for political economy.

#### 4. Why is Economics Not an Evolutionary Science?

*Thorstein Veblen, 1898*

A landmark essay that posed a foundational challenge to orthodox economics and effectively launched the institutional-evolutionary tradition. Available freely in many collected volumes of Veblen’s writings.

## Core Modern Works

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### **5. The Origin of Wealth: Evolution, Complexity, and the Radical Remaking of Economics**

*Eric Beinhocker, 2006*

The most accessible and readable discussion of evolutionary economics and the application of complexity theory to economics. Ideal starting point for non-specialists curious about the field.

### **6. Modern Evolutionary Economics**

*Richard Nelson et al., 2018*

A long-awaited successor to the 1982 classic. Nelson and leading figures review how evolutionary economics has been applied across diverse economic fields over 35 years, from technological change to industrial dynamics.

### **7. The Evolution of Institutional Economics**

*Geoffrey M. Hodgson, 2004*

A thorough account of how institutional and evolutionary economics developed together, by one of the field's most prolific scholars. Traces ideas from Veblen through to contemporary institutional theory.

### **8. Darwin's Conjecture: The Search for General Principles of Social and Economic Evolution**

*Geoffrey M. Hodgson & Thorbjorn Knudsen, 2010*

Applies Darwinian principles rigorously to social and economic systems, arguing for a generalised Darwinism that transcends the biological domain and underpins all evolutionary social science.

### **9. Economics and Evolution: Bringing Life Back into Economics**

*Geoffrey M. Hodgson, 1993*

Examines evolutionary ideas in the work of Malthus, Smith, Marx, Marshall, Veblen, Schumpeter, and Hayek, arguing that the new evolutionary economics can draw rich lessons from this intellectual history.

### **10. Schumpeter's Evolutionary Economics**

*Esben Sloth Andersen, 2009*

A comprehensive modern interpretation of Schumpeter's views on innovation, entrepreneurship, and creative destruction. Winner of the Gunnar Myrdal Prize for best evolutionary economics monograph.

## Evolutionary Biology Meets Economics

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### **11. The Company of Strangers: A Natural History of Economic Life**

*Paul Seabright, 2010*

An evolutionary examination of the complex web of interactions with strangers that underlie today's economic institutions and markets. Asks how cooperation among millions of anonymous individuals became possible.

## **12. Second Nature: Economic Origins of Human Evolution**

*Haim Ofek, 2001*

Argues that humans were selected for exchange. Presents novel arguments about how economic factors—not just ecological ones—shaped human evolutionary history and the emergence of modern cognition.

## **13. Adapt: Why Success Always Starts with Failure**

*Tim Harford, 2011*

Applies evolutionary thinking to business, war, accidents, and other human pursuits. An accessible and engaging introduction to adaptive thinking in complex systems, drawing on variation and selection as universal problem-solving tools.

## **14. The Secret of Our Success**

*Joe Henrich, 2015*

An excellent examination of cultural evolution, showing how accumulated cultural knowledge drives human economic and social behaviour far beyond what individual rationality can explain. Essential on the role of norms and institutions.

## **15. Darwinian Politics: The Evolutionary Origin of Freedom**

*Paul Rubin, 2002*

Argues that humans naturally seek political freedom and that modern Western societies best meet these evolved needs. A provocative application of evolutionary biology to political economy and the origins of liberal institutions.

## **Behavioural & Institutional Extensions**

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## **16. Thinking, Fast and Slow**

*Daniel Kahneman, 2011*

The definitive overview of behavioural economics and dual-process cognition. An essential companion to evolutionary economics, bridging psychology and economic decision-making through decades of experimental research.

## **17. The Evolutionary Foundations of Economics**

*Kurt Dopfer, ed., 2005*

A rigorous academic collection covering the theoretical building blocks of evolutionary economics across micro, meso, and macro levels of analysis. A key reference for graduate students and researchers.

## **18. Technical Change and Economic Theory**

*Dosi, Freeman, Nelson, Silverberg & Soete, eds., 1988*

A highly influential collection linking innovation, technology, and evolutionary economic theory. A cornerstone reference for scholars of industrial dynamics, national innovation systems, and long-run growth.

## **19. The Lever of Riches: Technological Creativity and Economic Progress**

*Joel Mokyr, 1990*

Examines how technological innovation has driven long-run economic growth throughout history. Draws on evolutionary and institutional frameworks to explain why some societies innovate while others stagnate.

## Popular & Accessible Reads

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### **20. The Righteous Mind: Why Good People Are Divided by Politics and Religion**

*Jonathan Haidt, 2012*

A brilliant analysis of moral psychology and political division, drawing on evolutionary foundations. Crucial for understanding how evolutionary pressures shape social and economic cooperation, trust, and institutional design.

## Evolutionary Innovation, Complexity & the Adjacent Possible

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### **21. New Developments in Evolutionary Innovation: Novelty Creation in a Serendipitous Economy**

*Gino Cattani & Mariano Mastrogiorgio, eds., Oxford University Press, 2021*

Reviews advances in evolutionary biology—punctuated equilibrium, speciation, and exaptation—that have been only partially absorbed into economics and innovation theory. With a foreword by Richard Nelson, the volume explores the role of serendipity and unprestatability in novelty creation, pushing evolutionary economics into new empirical and theoretical territory.

### **22. The Nature of Technology: What It Is and How It Evolves**

*W. Brian Arthur, 2009*

A landmark theory of how technologies originate and evolve. Arthur shows that technologies are built by combining existing components—a process of ‘combinatorial evolution’—and that the economy itself is remade as new technology domains emerge. Praised in *Science* and *Nature* as a work that does for technology what Kuhn did for science.

### **23. At Home in the Universe: The Search for the Laws of Self-Organization and Complexity**

*Stuart A. Kauffman, 1995*

Introduces the concept of the ‘adjacent possible’ and argues that order in complex systems—biological, economic, and cultural—arises from self-organisation as much as from Darwinian selection. Foundational reading for understanding disequilibrium and emergence in evolutionary economics.

### **24. Investigations**

*Stuart A. Kauffman, 2000*

Extends Kauffman’s earlier work into a theory of autonomous agents, work cycles, and the unprestatable expansion of the economic and biological web. Develops the adjacent possible as a framework for understanding innovation as irreducibly open-ended and path-dependent.

## **25. Where Good Ideas Come From: The Natural History of Innovation**

*Steven Johnson, 2010*

Builds directly on Kauffman's adjacent possible to explain seven recurring patterns behind genuine innovation—from slow hunches and serendipitous connections to liquid networks and exaptation. A highly readable bridge between evolutionary complexity theory and practical innovation studies.

## **26. Innovation, Evolution and Complexity Theory**

*Koen Frenken, 2006*

Applies Kauffman's NK model of fitness landscapes to technological evolution, contributing formally to the neo-Schumpeterian literature on innovation, diffusion, and paradigm shifts. Empirical cases include steam engine technology, aircraft design, and personal computers.

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Compiled for students, researchers, and curious readers. Book titles link to Goodreads pages.