

Evolutionary Macroeconomic Modeling for Europe's Future Financial Architecture

Problems and tentative Solutions

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Abstract

Four years of a global economic crisis with no success of economic policies guided by the mainstream economic paradigm have made the need for new theoretical concepts and models more visible than ever. In this talk – and the research paper to which it will lead – (1) the major deficiencies of standard macroeconomics when confronted with the European crisis will be highlighted, (2) the methodological alternatives provided by evolutionary simulation modeling will be presented, and (3) the implications for a model of Europe's future financial architecture will be discussed.

Since the last two topics concern work in progress only a sketch of the ongoing theoretical work will be possible. The continuously changing political environment of economic policy indeed forces economic modeling to return to the modeling of political economy proper. Though this enables highly creative work, it is also extremely challenging from a methodological point of view.