

Leontief Prize 2005: Richard R. Nelson
October 27, 2005
Remarks by Dr. Neva R. Goodwin, GDAE Co-Director

Richard Nelson's writings include such classic books as: An Evolutionary Theory of Economic Change, National Innovation Systems: A Comparative Analysis, and The Sources of Economic Growth. He is the George Blumenthal Professor of International and Public Affairs, Business and Law at Columbia University.

Like Wassily Leontief, Richard Nelson has a deep belief in the importance of bringing together theory with reality. His work is a model of what economics ought to be, and to do. Economics writings should give information and insights into how an economy works. This is not a static matter; the workings of an economy only occur over time. Dr. Nelson has examined the process of long-run economic change with particular emphasis on technological innovation and the evolution of economic systems, and has recently elaborated his approach to address the particular challenges of developing countries. He makes us see that growth and change are not best understood by focusing all our attention on equilibria; the rush of history is often too swift for an equilibrium to amass enough magnetism so that it can line up very much of the flow.

In emphasizing technology, Richard Nelson has always located this force in the full context of human behaviors, learning, competition and other motivators, and also in the context of the institutions that shape how learning will take place, how human effort is organized toward goals, and what limits are placed on the ways that people and organizations strive towards their goals. He depicts firms as social systems, interacting with non-profit, government, and community social systems. All of this together could be said to make up a culture. It is also what makes up an economy. In the best economic writing the distinction between the economy and the culture is not, after all, so very great.

Nelson's rich awareness of complexity and of interactions among the forces and the players sometimes gives his writing an almost novelistic quality. The plots have a unidirectional arrow of time; the present is affected by the past, and will affect the future. They are engaging because they tell about real events, their interactions, and why they matter.

It is a great pleasure, and an honor to us, to award the Leontief Prize to Richard Nelson.