

The Effects of Techno-Economic Paradigm on Social Evolution

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Abstract : Two different forms of competition theories can be distinguished: Those theories that emphasize the equilibrating forces created by competition, and those emphasizing the disequilibrating forces. This difference can be attributed, among other things, to the differences regarding the functioning of the market economy; that is to say, the basic problem here is whether competition should be understood as a static state or a dynamic process. This study aims to analyze the dynamic competition theories by K. Marx and J. A. Schumpeter and neo- Schumperians all of which focus on the dynamic role played by competition through creating disequilibria, endogenous structural change and social transformation as a distinguishing characteristic of the market system. With this aim, in the first section, after examining the static, neoclassical competition theory, both Marx"s theory, which is based on profit rate differentials, and Schumpeter"s theory, which is based on the notion of "creative destruction", will be discussed. In the second section, the long-term fluctuations, based on creative gales of destruction, the concept will be examined under the framework of techno-economic paradigm. It is argued that the dynamic, even disequilibrium tendencies created by the competition process should be regarded in both understanding the working of capitalism and social transformation of the system.

Keywords : competition, techno-enomic paradigm, Schumpeter, social evolution

Conference Title : ICSH 2016 : International Conference on Social Sciences and Humanities

Conference Location : Paris, France

Conference Dates : May 16-17, 2016