Introduction

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Hayek's theory of cultural evolution has been the topic of some controversy in recent years – with this volume, we want to explore the relevance of Hayek's theory for its own sake and for evolutionary economics more generally.

Horst Feldmann's critique of the critiques actually provided the impetus for this book.¹ He largely refutes the criticisms by basing his argument on Hayek's writings, taking his place in answering the critics.

The Sensory Order is Hayek's much less well-known attempt to explain how the human mind works in making distinctions between objects which may not necessarily correspond to distinguishing features of them.² It is discussed here by Brian Loasby.

The emergence of institutions through legislation is discussed against the background of Hayek's theory of economic policy. It appears that Hayek provides quite specific precepts for economic policies relating to legal institutions which can be far-reaching in scope but must adhere, as the editor of this volume points out, to specific criteria of consistency and functionality. Christian Schubert likewise addresses the problem of designed institutions, i.e. the outcome of legislation, and what Hayek's theory can contribute to a wider understanding of them. Both Backhaus and Schubert incorporate Hayek's theory of entrepreneurship. The entrepreneur is a driving force in cultural evolution. Alexander Ebner therefore discusses Hayek's theory of entrepreneurship. Money, a central concern in Hayek's political economy, is the topic of two chapters. Martin Bohl and Jens Hölscher put Hayek's proposal for a de-nationalization of money in the somewhat contrasting context of the establishment of the Eurozone. They provide some support for the proposition that money supply by private banking is related to monetary stability. Finally, Walter Heering advances his monetary theory of reciprocity in order to gain a better understanding of the concept of money on Hayek's terms.

NOTES

1. A conference on this topic was hosted by the Max Planck Institute for Research into Economic Systems, Jena (Germany) on 17 November 2003. We gratefully acknowledge the hospitality of the Institute, the third time in a row. Previous conferences there led to the following publications: *Modern Applications ...* and *European Evolutionary Thought ...*
2. Hayek, Friedrich A. von (1952), *The Sensory Order*, London and Chicago: University of Chicago Press.