
A complex evolving system approach to the study of economic fluctuations

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Abstract

I discuss the main building blocks of a complex evolving approach to economic analysis. This approach studies economic fluctuations as the emergent properties of local and disequilibrium interactions among heterogeneous agents. I also discuss how most elements of this approach are embedded in new class of models, such as Financial Network models and Agent-Based Models. Finally, I show how these models are able to capture salient features of observed economic dynamics, like deep economic recessions or the emergence of systemic risk in financial markets, which are typically not captured by more standard economic models.

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