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Mechanisms of Schumpeterian evolution — **Hurwiczian approach**

Joseph Schumpeter distinguished two forms of economic life: the circular flow interpreted as the stagnation of economic life and the economic development identified with innovations, disturbances and the evolution.

To capture and analyze the relationships between the circular flow and the economic development the concept of adjustment processes is used in the paper. The determined adjustment process enables to distinguish a variety of Hurwicz's economic mechanisms what reflects the complexity of innovative and non-innovative economic processes as well as their diversified results. Additionally, the qualitative mechanisms in which the position of some group of economic agents gets better off as well as in which market leaders exist are revealed.

Above all, the paper aims at cohesive and compact mathematical set-up of some aspects of Schumpeter's theory.