

Methodological Foundations Of Macroeconomics Keynes And Lucas By Vercelli Alessandro Published By Cambridge University Press Hardcover

The Great Depression of the 1930s with its dramatic unemployment rates was one of the most striking economic events of the past century. It shook economists' beliefs in the existence of self-adjusting forces and prompted Keynes to write his masterwork, *The General Theory of Employment, Interest and Money*. Involuntary unemployment was the central concept of Keynes' book. However, after having been considered the sine qua non of economics for decades, it has gradually disappeared from textbooks and research. This book recounts and ponders this demise, asking whether the abandonment of the concept of involuntary unemployment is the manifestation of some inner defect of recent economic theory or is rather due to some intrinsic weakness of the concept itself, which makes it of little use when it comes to economic theorising. In order to disentangle these issues, the author critically reviews the different explanations of involuntary unemployment that have been offered from Keynes up to the end of the 1980s. After considering *The General Theory*, the author studies the works of pioneering macroeconomists such as Hicks, Modigliani, Lange, Leontief, Tobin, Klein and Hansen. An examination of the 're-appraisal of Keynes' and of the so-called disequilibrium school is followed by a discussion of Friedman's and Lucas' anti-Keynesian attack. The final part of the book investigates a series of models purporting to revive the Keynesian project, namely implicit contract, efficiency wages, insider-outsider, coordination failures, and imperfect competition.

This book considers the treatment of equilibrium by several of the most important schools of thought in economics, including: * neoclassical economics, * the neo-Ricardian economics, * Post-Keynesian economics - both those who follow Joan Robinson in denying any interpretative role to equilibrium in economic theorizing and those who use the notion of equilibrium, but re-defined from a Classical or Keynesian perspective.

The book is strongly recommended for those interested in the continuing reception of Keynes's thinking. John B. Davis, EH.NET In this substantial new collection, esteemed Post-Keynesian scholars reassess the relevance of Keynes's *The General Theory* to a broad array of topic areas, ranging from the environment, investment finance, exchange rates, and socialism, as well as inquiries into general Post-Keynesian theory. In response to the current economic crisis, many people looking for new solutions are excitedly re-discovering the Post-Keynesian tradition of money modeling and theory. This book offers a broad array of recent Post-Keynesian scholarship, providing a good contextual understanding of the current state of the field from which innovative money solutions are springing. Topics covered here include: Keynes and heterodox economics, the founding fathers of Post-Keynesian economics, Keynesian models, Keynesian policy, and the modern development and extensions of Keynesian economics. Academics and practitioners eager for a solid heterodox approach to economics and money theory, the environment, finance, and political science will find the book an invaluable addition to their collection.

An investigation of the methodological and epistemological foundations of macroeconomic theory. The author compares the two main alternative research programmes in macroeconomics: that outlined by Keynes in his 'General Theory', and that suggested by Lucas, the leader of the new classical economists. He concludes that a Keynesian conception of macroeconomics as a discipline autonomous from microeconomics and open to theoretical and methodological innovation should be defended.

The Elgar Companion to Post Keynesian Economics is a comprehensive guide to economic analyses in the tradition of Keynes and the so-

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called Cambridge (UK) school of economics. The coverage of themes and different theoretical orientations within Post Keynesianism is remarkable and the quality of the various entries is impressive. John Kings invisible hand is responsible for a minimum of overlaps and an optimum in quality and comprehensibility. This book has already proved to be of interest to a wide range of economists and can be expected to continue to do so for a long time to come. Heinz D. Kurz, University of Graz, Austria This thoroughly revised and updated second edition provides a comprehensive guide to Post Keynesian methodology, theory and policy prescriptions. The Companion reflects the challenges posed by the global financial crisis that began in 2008 and by the consolidation of the New Neoclassical Synthesis in macroeconomic theory. There are 41 entirely new entries, marking the emergence of a new generation of Post Keynesian scholars. The central issues that were dealt with in the first edition remain at the core of the book, but much more attention is paid in this second edition to financial markets, to Post Keynesian economics outside its traditional Anglo-American heartland and to gender issues and environmental policy. Including major theoretical, methodological and policy issues in Post Keynesian economics, this enriching Companion will strongly appeal to postgraduate and advanced undergraduate students in economics as well as related social science disciplines including international political economy, international relations, politics, public policy and sociology.

The methodological and epistemological problem this book studies is related to the heterogeneity of capital. Capitals are heterogeneous through time and space; at the same time, various heterogeneous capitals must be aggregated, as shown by Ricardo and Keynes. On the other hand, the value of some quantity of aggregate capital changes over time, as demonstrated by Ricardo, Keynes and Stiglitz. For this purpose, this book considers Ricardo, Keynes and Stiglitz. For each author, capital is heterogeneous: Ricardo, from his labor theory; Keynes from the change in expectations, in regard to the return of such capital; and Stiglitz from the divergences between the different groups' expectations. Ricardo was the first author who explained why the value of capital cannot be determined independently from distribution variables and consequently why such value changes when distribution variables change — this mechanism was deepened by Sraffa and the neo-Ricardian school. Keynes, with the concept of supply price of capital, explains why such value moves in regard to long-term expectations. Finally, Stiglitz's analysis is a complementary approach in regard to Keynes's, insofar as he details the mechanism of speculation observed by Keynes from asymmetries of information. Keynes and Stiglitz's approaches allow complement Ricardo's analysis, insofar expectations are absent from Ricardo's framework. This book argues that epistemological choices allow going beyond the traditional opposition between neo-Ricardian and post-Keynesian approaches, introducing path dependence mechanisms and an "expectational" dimension. From the moment that capital is not a constant value over time and space, it is not possible anymore to consider a well-behaved production function, which this book argues implies refuting all the neoclassical framework, from the stability of the macroeconomic equilibrium and the Marshallian market equilibrium to the convergence towards the steady state.

This book contends that post Keynesian economics has its own methodological and didactic basis, and its realistic analysis is much-needed in the current economic and financial crisis. At a time when the original message of Keynes's *General Theory* is no longer present in the most university syllabuses, this book celebrates the uniqueness of teaching post Keynesian economics, providing comparisons with traditional economic rationale and illustrating the advantages of post Keynesian pedagogy. Against a backdrop in which neo-classical textbooks prevail, the expert contributors demonstrate that Keynes and *The General Theory* possess indispensable insight that would furnish students with a clearer understanding of the world economy in which they live. They explore the teaching of post Keynesian economics from a number of different perspectives, covering topics such as open system theorizing, pluralism in teaching, rhetoric in the spirit of Keynes, uncertainty,

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expectations and money. A critique of mainstream and traditional economic textbooks is also provided. This highly unique and fascinating book will provide an invaluable reference tool for teachers and researchers in post Keynesian economics, as well as their students. Comprehensive and authoritative, this book, written by a recognized authority on the subject explores the contributions to modern economics by John Maynard Keynes and addresses neglected, yet crucial aspects of the genesis of Keynesian economics. In this book, the author elucidates Keynes' development as an economic theoretician through an examination of his books, articles, various manuscripts, lecture notes and controversial correspondence. Departing from a narrative account and analyzing processes of theory-building and re-building which constitute Keynes's intellectual journey from the Tract to the General Theory, this volume shows Keynes' theoretical development as a theoretical hypothesis. An excellent exposition of Keynes' contribution, this is a valuable addition to the bookshelves of all to students and researchers interested in Keynes and more widely the history of economic thought and macroeconomics.

'It is difficult to summarize in a short space the extreme richness of this book, which involves arguments taken from physics, philosophy, history of science and epistemology, as well as economic thought and recent developments in econometrics. . . . Louçã's book makes for extremely interesting and useful reading: it provides a solid criticism of the foundations of neoclassical theory and constitutes the unavoidable starting point for any theoretical construction aiming to understand real societies. . . . The vast erudition of the author - who moves easily in many fields of the social and natural sciences - makes the book a mine of information and a valuable source of new ideas.' - Angelo Reati, Review of Political Economy 'This book will be a landmark in the history of economic thought. It is an extremely powerful and original critique of mainstream econometrics, based on a thorough knowledge of its historical origins and its contemporary applications. It will be essential reading for everyone involved in teaching or learning economic theory and model-building. The book also provides new insights into the work of Frisch, Keynes and Schumpeter . . . it is also a very important contribution to philosophy in the social sciences and in particular, to the development of evolutionary theory in economics. The rapid recent growth of interest in evolutionary theory means that the book will be of special interest to those concerned with these exciting new developments.' - Christopher Freeman, SPRU - Science and Technology Policy Research, University of Sussex, UK and Maastricht University, The Netherlands

Examines how the methodologies are founded in the theories of Neo-Austrian, mainstream, Post Keynesian, and Marxian economic traditions. Also describes the microeconomic foundations of their macroeconomics and their various approaches to such concepts as equilibrium, expectations, money, and macroeconomic policy. Revised from the 1985 *Macroeconomic Thought: A Methodological Approach* to incorporate new developments in the field. Annotation copyright by Book News, Inc., Portland, OR Both a grounding in the origins and development of Keynesian economics, this study also looks at the ongoing significance of his work. It examines the different interpretations of Keynesian thought on economics as a discipline and the schools of thought that provided these interpretations.

Examines the change and development in Keynes's philosophical thinking from his earliest unpublished Apostles papers through to *The General Theory*.

During the 1970s, monetarism and the new classical macroeconomics ushered in an era of neoliberal economic policymaking.

Keynesian economics was pushed aside. It was almost forgotten that when Keynesian thinking had dominated economic policymaking in the middle decades of the twentieth century, it had coincided with postwar economic reconstruction in both Europe and Japan, and the unprecedented prosperity and stable growth of the 1950s and 1960s. The global financial crisis of 2007-2009 and the recession that followed changed all that. Influential voices in both academic economics and amongst policy-makers and commentators began to remind us how useful Keynesian ways of thinking could be, especially in coming to terms with our current economic predicaments. When politicians across the globe were confronted with economic crisis, they introduced pragmatic and workable measures that bore all the hallmarks of Keynesianism. This book is about the fall and rise of Keynesian economics. Eatwell and Milgate range widely across the landscape that defines their subject matter. They consider how powerful Keynesian ideas can be when applied to past and present economic problems. They show how helpful these ideas are in explaining why we came to find ourselves in the disorder we are in. They examine where and how the analytical and methodological foundations of conventional macroeconomic wisdom went wrong. They set out a blueprint for an alternative that provides a clearer, more consistent, and more applicable approach to understanding how markets work. They also highlight the interpretive shortcomings that have come to characterize Keynes scholarship itself. They do all of this within the context of a provocative reconsideration of some of the most pressing economic problems that confront financial markets and the global economy today. They conclude that Keynesian ideas are not just for crises, but for constructive economic policy making at all times.

This second volume contains essays which relate to developments in Keynes' scholarship and theorizing in the years since his death and demonstrates the ongoing validity of the Keynesian tradition.

The authors provide an introductory essay outlining the development of macroeconomics since the 1930s, and the themes occur and re-occur in the following interviews with some of the principal agenda setters of macroeconomic research.

The Methodology of Empirical Macroeconomics stakes out a pragmatic middle-ground between traditional, prescriptive economic methodology and recent descriptive (sociological or rhetorical) methodology. The former is sometimes seen as arrogantly telling economists how to do their work and the latter as irrelevant to their practice. The lectures are built around a case study of a concrete example of macroeconomic analysis. They demonstrate that economic methodology and the philosophy of science offer insights that help to resolve the genuine concerns of macroeconomists. Some examples of questions addressed include: What is the relationship between theoretical models and empirical observations? What is the relevance of macroeconomics to policy? Should macroeconomics be viewed as a special case of microeconomics? What is the place of long-standing philosophical issues in macroeconomics, such as the scope and nature of economic laws, the role of idealizations, methodological individualism, and the problem of causality?

This book focuses on the relationship between the process of producing commodities and the process of social reproduction of the labouring population, and seeks to restore that problematic relationship to the central place it had in the analysis of Smith, Ricardo, and Marx.

Methodological practice is at the heart of divisions between schools of macroeconomic thought. Jesper Jespersen's book explains why and

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precisely how, and gives the reader the insight to choose between rival approaches. His own inspiration comes from Critical Realism and Popper's Three World analysis, with Keynes as the main exponent of a realist approach. The starting point of realist theory is a view of how the world is, rather than axioms, and the test is whether the theory can make, as Jespersen puts it, the round trip back to reality, to give practical guidance to policy. This is only the focal point of a rich and attractive canvas. How I wish this book had been available when I taught methodology! And how I wish economists from all schools of thought would read it! Victoria Chick, University College London, UK This welcome volume by Jesper Jespersen offers an up-to-date realist approach to macroeconomics, drawing on recent developments in methodology, notably critical realism, as well as earlier Popperian ideas. He shows how economics in the Post-Keynesian tradition, using this approach, can address the important macro policy issues, and sets out a seven-point agenda for future theory development. This book provides an important launching-off point for addressing macroeconomic questions without the need for the abstractions as narrowly rational representative agents. Rather Jespersen explores the interdependencies between the macro and micro levels in real economic processes under conditions of uncertain knowledge. Sheila Dow, University of Stirling, UK Jesper Jespersen presents a treatise on the importance of the choice of methodology within macroeconomics. Given that no scientifically based macroeconomic policy recommendation should be established without an evaluation of the methods employed, this book gives a clear exposition of how proper macroeconomic analysis should be undertaken. Furthermore, it is convincingly argued that one of the lasting contributions of John Maynard Keynes was his emphasis on methodology; that macroeconomic consequences of uncertainty could not be analysed within the established general equilibrium framework. It is due to post-Keynesian economics supported by critical realism that the understanding of Keynes's methodology has been resurrected, which has eventually resulted in renewed debate on realistic macroeconomic policies to restore full employment without inflation. Macroeconomic Methodology is an inquiry into the question of how to conduct a proper scientific analysis of uncertainty within macroeconomics. It will be of great interest to scholars of the philosophy of social sciences and methodology, as well as post-Keynesian and heterodox economists.

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This volume, a companion to Money, Macroeconomics and Keynes, represents both consolidation and the breaking of new ground in Keynesian methodology and microeconomics by leading figures in these fields.

The current crisis is one of the great crises punctuating the long history of capitalism, and to be properly understood it is vital to take into account its ongoing structural transformation. This book offers plural perspectives on the Great Recession,

“This excellent book documents the creation of what has become the first commandment of orthodox macroeconomics: that microeconomic theory provides its foundation because this is the most secure form of economic knowledge. By contrast, John King shows conclusively that microeconomics cannot play such a role when assessed by the criteria of logic, or of science, or of economics itself. Indeed, he goes further and demonstrates that the microfoundations dogma detracts from knowledge about how economies actually operate, and instead generates patently false conclusions. Moreover, the dogma is shown to have blinded orthodox economists from even seeing the possibility of typical macroeconomic crises, and has disarmed them in formulating policies that would eliminate actual crises. The book therefore deals with a topic at the very heart of the present debacle in the world economy.” — Michael Howard, University of Waterloo, Canada “A generation ago Dudley Dillard wrote a famous article on the “barter illusion in classical and neoclassical economics”. Now John King has gone a step further and written about the microfoundations delusion. The illusion has been with us for a very long time, the delusion is of more recent vintage.

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Together they have blocked a basic understanding of macroeconomic and monetary phenomena at a time when they are most urgently needed. This is a book that had to be written, and we are fortunate that it is John King who has written it. Essential reading for our times. — John Smithin, York University, Canada In this challenging book, John King makes a sustained and comprehensive attack on the dogma that macroeconomic theory must have rigorous microfoundations. He draws on both the philosophy of science and the history of economic thought to demonstrate the dangers of foundational metaphors and the defects of micro-reduction as a methodological principle. Strong criticism of the microfoundations dogma is documented in great detail, from some mainstream and many heterodox economists and also from economic methodologists, social theorists and evolutionary biologists. The author argues for the relative autonomy of macroeconomics as a distinct 'special science', cooperating with but most definitely not reducible to microeconomics. The *Microfoundations Delusion* will prove a stimulating and thought-provoking read for scholars, students and researchers in the fields of economics, heterodox economics and history of economic thought.

Hyman Minsky is renowned for his theoretical and empirical investigation of the capitalist economy. In this book, a distinguished group of contributors provides an authoritative account of his contribution to the analysis of capitalism and, more particularly, to the fields of monetary and post Keynesian economics. The authors first provide an introduction to Hyman Minsky's economic legacy before going on to discuss his role in analysing the macroeconomy, monetary policy and instability. In detail, they consider the structural instability of a sophisticated market economy, the NAIRU, Minsky's financial fragility hypothesis, his business cycle theory, his investment theory and debt inflation.

This book should be welcomed by post Keynesian economists, microeconomists and those interested in international economics.

Recent developments in public economics have largely been in the direction of reaffirming the limits of the market and of establishing new ones. The possible existence of fundamental non-convexities, imperfect and asymmetric information, incentive compatibility, imperfect competition, strategic complementarity, and scale economies led to the conclusion that a large set of market failures exist; such situations also imply government failure. Acocella, considers this complicated picture and provides a discussion of the different approaches to establishing social 'rankings' of the possible situations and the underlying principles. The arguments for and against different institutions are then analysed at a micro and macroeconomic level. The market and the government are recognised as imperfect, and thus complementary, institutions. Specific policy targets and instruments are considered in the areas of micro and macro-economic policy. Special attention is devoted to questions of policy management in an open economy. Finally, problems of domestic and international policy co-ordination are considered.

Contrary to common belief, macroeconomics is not merely a theory of aggregates, and cannot be constructed from individual behaviour. Both nationally and internationally, there are economic laws that are logically independent of economic agents' behaviour. These are the macroeconomic foundations of macroeconomics. Presenting cutting-edge material, Alvaro Cencini explores these foundations, and shows that the introduction of money entails economics being interpreted conceptually not mathematically. His innovative book provides the elements for a new approach by applying the most recent results of monetary analysis to the study of national and international economics. It covers recent progress in monetary theory, provides the reader with a greater understanding of the subject, and will be essential reading for economic students as well as a valuable resource for

economists.

'This is a timely book. Being on modern theories of money - essentially the study of traditions of endogenous money - it is a welcome contribution to current thinking on monetary policy. The modern central bank view on money is that the rate of interest should be manipulated by central banks to achieve an inflation target with the money supply being the "residual". Although money is in effect endogenous, there is no theory that explains its behaviour. Modern Theories of Money is a serious attempt to sharpen existing views on the issue and fill gaps in an admirable manner.' - Philip Arestis, University of Cambridge, UK and Levy Economics Institute, US This book unites diverse heterodox traditions in the study of endogenous money - which until now have been confined to their own academic quarters - and explores their similarities and differences from both sides of the Atlantic. Bringing together perspectives from post-Keynesians, Circuitists and the Dijon School, the book continues the tradition of Keynes's and Kalecki's analysis of a monetary production economy, emphasising the similarities between the various approaches, and expanding the analytical breadth of the theory of endogenous money. The authors open new avenues for monetary research in order to fuel a renewed interest in the nature and role of money in capitalist economies, which is, the authors argue, one of the most controversial, and therefore fascinating, areas of economics.

This book retraces the history of macroeconomics from Keynes's General Theory to the present. Central to it is the contrast between a Keynesian era and a Lucasian - or dynamic stochastic general equilibrium (DSGE) - era, each ruled by distinct methodological standards. In the Keynesian era, the book studies the following theories: Keynesian macroeconomics, monetarism, disequilibrium macro (Patinkin, Leijonhufvud, and Clower) non-Walrasian equilibrium models, and first-generation new Keynesian models. Three stages are identified in the DSGE era: new classical macro (Lucas), RBC modelling, and second-generation new Keynesian modeling. The book also examines a few selected works aimed at presenting alternatives to Lucasian macro. While not eschewing analytical content, Michel De Vroey focuses on substantive assessments, and the models studied are presented in a pedagogical and vivid yet critical way.

The past decade has seen many leading economies, especially the US, undergo profound structural transformations. Departing from the standard theories employed to explain this phenomenon, here author Togati provides the first broad analysis of the New Economy. In this book, the first to look at the new economy from a post-Keynesian / post-modern perspective, he focuses on its macroeconomic implications, presenting a more balanced view than that provided by orthodox neoclassical analysis, and studying the interaction of key variables such as: * information technology * globalization * the increasing significance of intangibles and financial markets. This ground-breaking book utilizes a 'neo-modern' perspective drawing on complexity theory to advance the study of the stability and dynamic behaviour of economic systems. Togati utilizes the Calvino labels to identify new empirical evidence, and examines the implications for global stability based on New Classical Macroeconomics and Keynesian theory. The analysis developed in this book has important practical and policy implications for the New Economy, making this book essential reading for students, academics and practitioners in this field.

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This volume, a collection of essays by internationally known experts in the area of the history of economic thought and of the economics of Keynes and macroeconomics in particular, is designed to celebrate the 75th anniversary of the publication of *The General Theory*. The essays contained in this volume are divided into four sections. The first section contains three essays that explore the concept of fundamental uncertainty and its unique role in *The General Theory*. The second section contains five essays that examine the place of *The General Theory* in the history of macroeconomics since 1936. The third section contains three essays that explore the interrelationships among Keynes, Friedman, Kaldor, Marx and Sraffa and their approaches to macroeconomic theory and policy. The final section contains four essays that provide several new interpretations of *The General Theory* and its position within macroeconomics. *Keynes's General Theory* is intended for those students and scholars who are interested in the economics of Keynes and the rich variety of approaches to macroeconomic theory and policy.

This collection puts forward promising reinterpretations of the primary schools of heterodox political economy, stringent critiques of the conventional readings of the recession, new schemes of theoretical and empirical analysis of the crisis, and proposals for economic policies alternative to those hitherto adopted.

This book is an extension of the author's last book (*Crisis and Sustainability: The Delusion of Free Markets*, Palgrave Macmillan, 2017) and sheds light on the evolution of the financial system after the 2007/08 crisis and on changes and developments in the regulatory framework that have taken place concurrently over the last ten years. The book's central theme addresses the neoliberal philosophy of financial regulation and, in particular, the role of self-regulating markets in the finance sector and how this has affected incentives and behaviour within the finance sector. The author contends that neoliberal maxims have led us to believe that market-based finance is superior to, and safer than, a more rules-based regulatory regime for the sector, and then explains that experience suggests otherwise. The huge expansion of 'financialization' in the developed economies over the last two decades has greatly magnified the risks emanating from the impact of highly leveraged, risk averse, under-regulated finance on other sectors of these economies. The author concludes that financial institutions need to be encouraged to operate within a more socially responsible matrix that facilitates and promotes long-term economic growth coupled with social stability.

The Nature of Macroeconomics is a short but adventurous book that punches well above its weight . . . As part of a growing literature that identifies methodological issues as central to any appreciation of macroeconomic debate, and which seeks to under-labor for a more relevant useful indeed, more scientific macroeconomics, Fitzgibbons book is to be warmly welcomed. Mark Setterfield, *Review of Social Economy*
Fitzgibbons examines the foundations of macroeconomic theory and policy and develops an insightful discussion of important issues, especially the state of knowledge of both market participants and policymakers . . . *The Nature of Macroeconomics* is clearly a book that contributes to the growth of our own partial knowledge. David Dequech, *Review of Political Economy*
Athol Fitzgibbons's book distils the main lesson of the debates on Keynes over the last 25 years: that macroeconomics has to be based on a theory of knowledge consistent with the way life is lived, where decisions are made in the face of imperfect knowledge. All existing theory (including, he argues, the *General Theory*) assumes either perfect knowledge or complete ignorance. He shows us why this has happened, and suggests a way out. It is a brave, knowledgeable and important book. Victoria Chick, University College London, UK
A well-written, well-argued discussion of the foundations of

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macro. If you are unfamiliar with the arguments that macro is not, and cannot be, a traditional science, then this book is definitely worth reading. David Colander, Middlebury College, Vermont, US This book addresses the long absence of a satisfactory theory of macroeconomics. Keynesian theory is not consistent with rational self-interest, but neo-classical economics is unable to explain economic volatility and the trade cycle. Athol Fitzgibbons critiques the leading macroeconomic theories, which he believes are unduly mechanistic because they are incompatible with non-quantitative knowledge. The author sketches the intellectual history of partial knowledge and judgement so far as these relate to macroeconomics, and rejects the claims that Keynes recanted the analysis of practical reason in his Treatise on Probability. Fitzgibbons's theme is the possibility of a new synthesis of Keynes and the neoclassical system. This stresses financial rationality, but it also recognizes that there is an element of indeterminacy in both government policies and the movements of the market.

Elgar Advanced Introductions are stimulating and thoughtful introductions to major fields in the social sciences and law, expertly written by the world's leading scholars. Designed to be accessible yet rigorous, they offer concise and lucid surveys of

This book considers the benefits of complexity, suggesting that economists should become a bit less certain in their policy conclusions. A broader range of models would include agent-based models, which use computational power to deal with specification of models that are far beyond analytic solution; and non-linear dynamic stochastic models, many of which are beyond analytic solution, but whose nature can be discovered by a combination of analytics and computer simulations.

Keynes always intended to write 'footnotes' to his masterwork The General Theory, which would take account of the criticisms made of it and allow him to develop and refine his ideas further. However, a number of factors combined to prevent him from doing so before his death in 1946. A wide range of Keynes scholars - including James Tobin, Paul Davidson and Lord Skidelsky - have written here the 'footnotes' that Keynes never did.

This book provides a comprehensive overview of Keynes' contributions to macroeconomics and offers an in-depth analysis of the contested legacy of The General Theory, a book that marked the emergence of modern macroeconomics from the earlier heritage of monetary theory and business cycle and analysis.

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