# Millennial Keynes: The Origins, Development and Future of Keynesian Economics

*Bruno Ventelou, Gregory P. Nowell*
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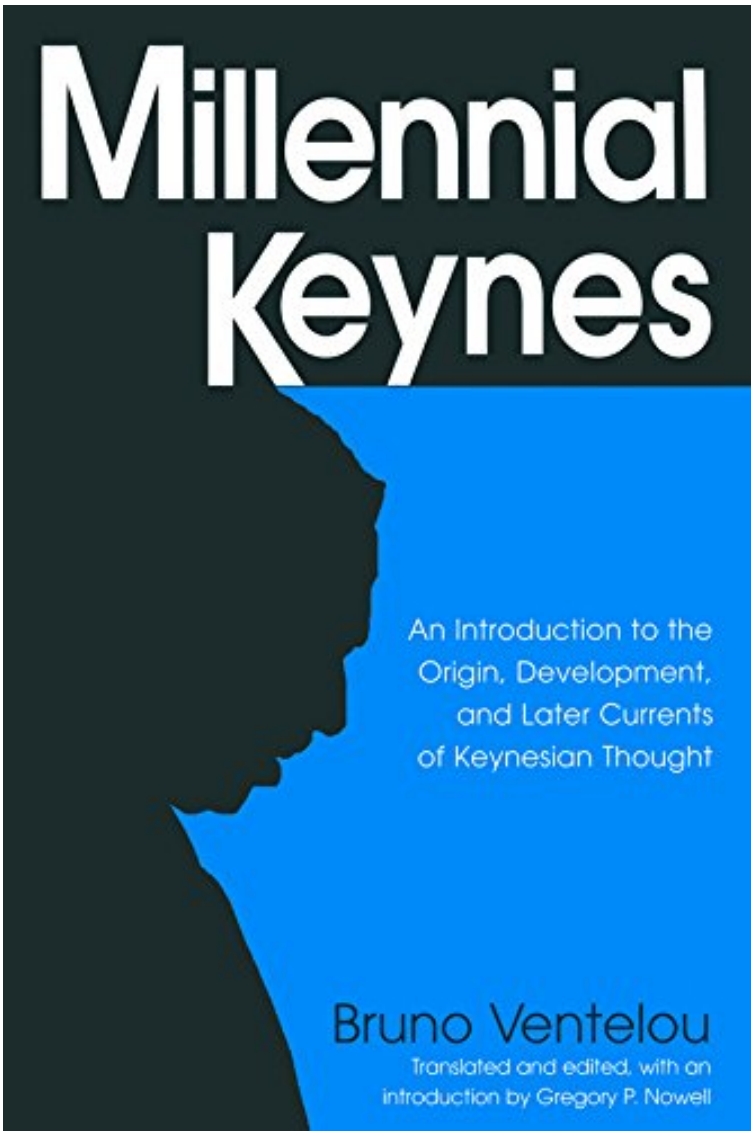




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**Bruno Ventelou, Gregory P. Nowell : Millennial Keynes: The Origins, Development and Future of Keynesian Economics** before purchasing it in order to gage whether or not it would be worth my time, and all praised Millennial Keynes: The Origins, Development and Future of Keynesian Economics:

1 of 1 people found the following review helpful. An insightful overview of the origins and content of Keynesian theoryBy Caherec AnneIn this volume, Ventelou goes well beyond standard histories and biographies to address the larger intellectual context that Keynes inhabited. Following a brief overview of Keynes's career, Ventelou pulls back

to examine turn-of-thecentury Marshallian and Walrasian controversies over marginalism and general equilibrium theory, debates which significantly shaped Keynes's own thinking.Of particular interest to international relations (IR) scholars, Millennial Keynes acknowledges the often-neglected social bases of Keynesian thought. This emphasis matters because, while the social constructivist turn in IR theory has been well advanced in the security realm, it has only recently begun making significant inroads in the international political economy (IPE) setting. Indeed, influential constructivist scholars have increasingly drawn on Keynesian insights to transcend prevailing neoclassical and classical orthodoxies. Of course, in addition to its relevance to contemporary IR and IPE debates, Millennial Keynes provides basic and enduring insights into enduring economic theory, history and policy debates.1 of 4 people found the following review helpful. A book filled with hundreds of errors concerning Keynes's workBy Michael Emmett BradyVentelou(V) attempts to show how Keynes's general emphasis on uncertainty, expectations and the entreprenuer in the General Theory(GT;1936)evolved from the logical,epistemological,philosopical,decision theoretic and ethical perspectives and analysis done by Keynes in his A Treatise on Probability(1921;TP)and his economic analysis in the A Treatise on Money(TM;1930),with its emphasis on the investment-savings relationship,the rate of interest determined by a profit maximizing, private banking industry,the quantity theory of money, and the early liquidity preference theory based on the bull-bear distinction made by Keynes in the TM.This approach certainly has great merit if an author has carefully examined and understood the technical,theoretical,logical and mathematical modeling that Keynes applied in the TP,TM,and GT.V,unfortunately,has little or no grasp of the technical aspects of Keynes's formal work that underlies the literary exposition that Keynes emphasized throughout his life.Keynes operated under the constraint of a scientist who was serious about implementing Ockham's Razor.Keynes used only the amount of mathematical and logical technique absolutely necessary to solve a particular problem.However,an understanding of his technical apparatus is a necessary condition for understanding the literary language Keynes used to convey his results in all three books.Unfortunately,V writes under the implicit influence of Richard Kahn and Joan Robinson,who spent their lives spreading the vicious canard that Keynes lacked the capability to express his ideas in a formal,technical manner because he was a poor mathematician by 1927 who had not taken the twenty minutes necessary to grasp the theory of value.Let me catalog the errors that appear just on pp.89-98 of V's book. First,we are told that Keynes's TP was a doctoral dissertation(and then a doctoral thesis)on p.89.The TP was a fellowship thesis.Keynes was never Dr.Keynes.Second,the reader is told that Keynes's concept of weight,w, is a second- order probability(pp.91,92,95).On pp.74-75 of the TP,Keynes explicitly rejected any such interpretation of weight since it leads to an infinite regress requiring a third-order probability,etc.It is possible that V has been influenced by the infinite regress fallacy put forth by the Post Keynesian economist Sheila Dow concerning "uncertainty about uncertainty about uncertainty",etc.Third,V's Figure 3.3(borrowed from Hicks) on p.94 is extremely incomplete.There are three categories listed-numerical probabilities(set A),ordinal probabilities(set B),and probabilities(set C).Unfortunately,V has completely overlooked the largest set of Keynesian probabilities,the set of interval estimates based on approximation.Each interval estimate will have an upper bound and a lower bound.Any overlap between interval estimates means that the problems of nonmeasurability,nonnumericability, noncomparability,nonrankability,and incommensurability will arise.V claims the following:"...the hard core of the TP,its mathematical heart,is devoted to developing techniques for calculating logical probabilities.We shall not pursue this part of the work,which,to be frank,is hard going.More to the point is the methodological value of these ideas about probability."(2004,p.94).In chapters 15 and 17 of the TP,Keynes presented a method for the construction of interval estimates based on the original work of G.Boole.Keynes makes it crystal clear that by nonnumerical or nonmeasurable probability he means that TWO numbers are required to estimate the probability relationship,not ONE.V has no command of the material that he claims to be writing about.Third,after claiming that the distinction between probability and weight is fundamental to an understanding of Keynes's work,he claims that Keynes agreed with Ramsey's subjective interpretation of probability and that Keynes"...pays homage to his friend and bows to his reasoning"(2004,p.96).Ramsey's subjective approach requires that all probabilities have complete weight of evidence and be additive.Ramsey's probabilities are always exact,precise numerical probabilities.Keynes agreed with Ramsey on only one point:IF THE PURELY DEDUCTIVE MATHEMATICAL LAWS OF PROBABILITY were applicable,then these laws served as a logical consistency and coherence requirement to prevent a dutch book from being made against a bettor(Ramsey's theory requires that all adherents MUST be willing to bet on either side of a bet.People who do not bet are excluded from the range of application of the theory).Ramsey's theory is ,in fact, a very special case of Keynes's general theory of probability.Incredibly,V,on p.95,agrees that "Ramsey's view may be connected to an extreme version of Keynes's"(2004,p.95).Why Keynes would accept a very special case of his own theory and reject his own general theory is a logical contradiction that V never explains in his book.Fourth,it is claimed that"Keynes's innovations on nonordinal and nonmeasurable logical probabilities may well explain,for example,why he decided not to formalize the GT into a mathematical model"(2005,pp.96-97).Keynes's mathematical model(the actual-realized Y-Multiplier submodel and the expected D-Z submodel) is contained in chapters 10,19,20,and 21 of the GT.Keynes compares his mathematical model to the mathematical model constructed by A C Pigou ,in Part II,chapters 8-10,pp.86-102,of his The Theory of Unemployment(1933),in the appendix to chapter 19 of

the GT.Finally,uncertainty for Keynes has nothing to do with whether probabilities can be calculated or not.Uncertainty,for Keynes, has to do with the reliability,completeness, or confidence a decision maker has in his numerical,interval,or ordinal calculation estimate.This requires that the weight of the evidence,w, be greater than 0.Only in the case of complete ignorance,where the weight of the evidence is equal to 0,would no calculation be possible.Risk is a situation where the weight of the evidence is complete and equal to 1.V confuses Keynes's view with the views of F.Knight.

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 Keynsian thought on economics as a discipline and the schools of thought that provided these interpretations.