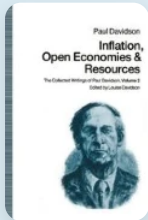


[Home](#) > [Inflation, Open Economies and Resources](#) > Chapter

# Shackle and Keynes vs Rational Expectations Theory on the Role of Time, Liquidity and Financial Markets


| Chapter

| pp 144–158 | [Cite this chapter](#)



## Inflation, Open Economies and Resources

[Paul Davidson](#)

 67 Accesses

## Abstract

In a study remarkable for its ignorance of the difference between the non-probabilistic macroeconomics of Keynes and Shackle vs Keynesian macroeconomics, Lucas and Sargent (1979) note that ‘after Keynesian macroeconomics’ there is the necessity for developing a new theoretical path for modern macroeconomic theory.

S. Frowen (ed.), *Business, Time and Thought. Conference in Honour of G. L. S. Shackle* (London: Macmillan, 1989).

## Access this chapter

Log in via an institution →

## Subscribe and save

✓ Springer+

from €37.37 /Month

- Starting from 10 chapters or articles per month
- Access and download chapters and articles from more than 300k books and 2,500 journals
- Cancel anytime

View plans →

## Buy Now

### ^ Chapter

**EUR 29.95**

Price includes VAT (Poland)

- Available as PDF
- Read on any device
- Instant download
- Own it forever

Buy Chapter →

### ^ eBook

**EUR 42.79**

Price includes VAT (Poland)

- Available as PDF
- Read on any device
- Instant download
- Own it forever

Buy eBook →

### ^ Softcover Book

**EUR 53.49**

Price includes VAT (Poland)

- Compact, lightweight edition
- Dispatched in 3 to 5 business days
- Free shipping worldwide - [see info](#)

Buy Softcover Book →

Tax calculation will be finalised at checkout

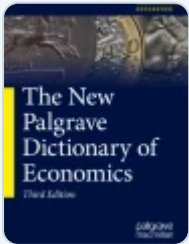
**Purchases are for personal use only**

[Institutional subscriptions](#) →

## Preview

Unable to display preview. [Download preview PDF.](#)

### Similar content being viewed by others



**Macroeconomics: Relations with Microeconomics**

Chapter | © 2018



**Opposing Keynesianism: New Classical Macroeconomics from Rational Expectations, Through Real Business...**

Chapter | © 2022



**The Return of (New) Keynesian Economics**

Chapter | © 2024

### Explore related subjects

Discover the latest articles, books and news in related subjects, suggested using machine learning.

- [Economics](#)
- [Economic History](#)
- [Literature and Economics](#)
- [Microeconomics](#)
- [Philosophy of Economics](#)
- [Macroeconomics and Monetary Economics](#)

## References

Clower, R. W. (1969) *Monetary Theory*, (Harmondsworth: Penguin).

Cooley, T. F. and S. F. Leroy (1981) 'Identification and Estimation of Money Demand', *American Economic Review*, 71.

[Google Scholar](#)

Davidson, P. (1967) 'A Keynesian View of Patinkin's Theory of Employment', *Economic Journal*, 77.

[Google Scholar](#)

Davidson, P. (1972) *Money and the Real World*, (London: Macmillan).

[Google Scholar](#)

Davidson, P. (1980) 'Post Keynesian Economics: Solving the Crisis in Economic Theory', *The Public Interest*; reprinted in I. Kristol and D. Bell (eds), *The Crisis in Economic Theory*, (New York: Basic Books).

[Google Scholar](#)

Davidson, P. (1982-3) 'Rational Expectations: A Fallacious Foundation for Crucial Decision Making', *Journal of Post Keynesian Economics*, 5 (Winter) (Chapter 12 in this volume).

[Google Scholar](#)

Hicks, J. R. (1946) *Value and Capital*, (Oxford: Oxford University Press) 2nd edn.

[Google Scholar](#)

Hicks, J. R. (1979) *Causality in Economics*, (New York: Basic Books).

[Google Scholar](#)

Keynes, J. M. (1936) *The General Theory of Employment, Interest and Money*, (New York: Harcourt Brace).

[Google Scholar](#)

Keynes, J. M. (1973) *The Collected Writings of John Maynard Keynes*, ed. D. Moggridge (London: Macmillan).

[Google Scholar](#)

Leijonhufvud, A. (1966) *The Economics of Keynes and Keynesian Economics*, (Oxford: Oxford University Press).

[Google Scholar](#)

Lucas, R. E. and T. J. Sargent (1979) 'After Keynesian Macroeconomics', *Federal Reserve Bank of Minneapolis Quarterly Review*, 3. Reprinted in Lucas and Sargent (1981). All page references are to the reprinted version.

[Google Scholar](#)

Lucas, R. E. and T. J. Sargent (1981) *Rational Expectations and Econometric Practice*, (Minneapolis: University of Minnesota Press).

[Google Scholar](#)

Marshall, A. (1890) *Principles of Economics*, (London: Macmillan) 1st edn.

[Google Scholar](#)

Muth, J. (1961) 'Rational Expectations and the Theory of Price Movements', *Econometrica*, 29. Reprinted in Lucas and Sargent (1981). All page references are to the reprinted version.

[Google Scholar](#)

Samuelson, P. A. (1969) 'What Classical and Neoclassical Monetary Theory Really Was', *Canadian Journal of Economics*, 1. Reprinted in Clower (1969). All page references are to the reprinted version.

[Google Scholar](#)

Shackle. G. L. S. (1955) *Uncertainty in Economics*, (Cambridge: Cambridge University Press).

[Google Scholar](#)

Shackle. G. L. S. (1972) *Epistemics and Economics*, (Cambridge: Cambridge University Press).

[Google Scholar](#)

Shackle, G. L. S. (1980) 'Imagination, Unknowledge, and Choice', *Greek Economic Review*, 2.

[Google Scholar](#)

Wallis, K. F. (1980) 'Econometric Implications of the Rational Expectations Hypothesis', *Econometrica*, 48. Reprinted in Lucas and Sargent (1981). All page references are to the reprinted version.

[Google Scholar](#)

## Editor information

---

Louise Davidson

## Copyright information

---

## About this chapter

---

### Cite this chapter

Davidson, P. (1991). Shackle and Keynes vs Rational Expectations Theory on the Role of Time, Liquidity and Financial Markets. In: Davidson, L. (eds) Inflation, Open Economies and Resources. Palgrave Macmillan, London. [https://doi.org/10.1007/978-1-349-11516-7\\_14](https://doi.org/10.1007/978-1-349-11516-7_14)

[.RIS↓](#) [.ENW↓](#) [.BIB↓](#)

DOI	Publisher Name	Print ISBN
<a href="https://doi.org/10.1007/978-1-349-11516-7_14">https://doi.org/10.1007/978-1-349-11516-7_14</a>	Palgrave Macmillan, London	978-1-349-11518-1

Online ISBN	eBook Packages
978-1-349-11516-7	<a href="#">Palgrave Economics &amp; Finance Collection</a>
	<a href="#">Economics and Finance (R0)</a>

### Keywords

[Interest Rate](#) [Business Cycle](#) [Rational Expectation](#) [Spot Market](#) [Crucial Decision](#)

*These keywords were added by machine and not by the authors. This process is experimental and the keywords may be updated as the learning algorithm improves.*

## Publish with us

---

[Policies and ethics](#) [↗](#)

## Search

Search by keyword or author



# Navigation

Find a journal

Publish with us

Track your research