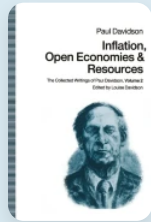


[Home](#) > [Inflation, Open Economies and Resources](#) > Chapter

# 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](#)

 55 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).



This is a preview of subscription content, [log in via an institution](#) to check access.

### Access this chapter

[Log in via an institution](#) →

### Subscribe and save

✓ **Springer+ Basic**

€32.70 /Month

- Get 10 units per month
- Download Article/Chapter or eBook
- 1 Unit = 1 Article or 1 Chapter
- Cancel anytime

[Subscribe now](#) →

### 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](#)

Tax calculation will be finalised at checkout

**Purchases are for personal use only**

[Institutional subscriptions](#) →

## Preview

---

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

## References

---

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

[Google Scholar](#)

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

---

© 1991 Paul Davidson

## 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</a>	

## Publish with us

---

[Policies and ethics](#) 

## Search

Search by keyword or author



## Navigation

[Find a journal](#)

---

[Publish with us](#)

---

[Track your research](#)

---

