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Reseña

Mark Gerard Hayes. *John Maynard Keynes. The art of choosing the right model.* Cambridge, Polity Press, 2020, 195 pp. ISBN: 978-1509528257.

J. M. Keynes' *General Theory* is celebrated as one of the most influential works in the history of Economics, a true classic. But it is also perceived as a difficult text, the product of a brilliant but highly idiosyncratic mind trying to build an original theoretical system opposed to the central economic tenets of his time. This perception is so extended that it supports a small industry of introductory guides to Keynesian economics, started with Joan Robinsons' "told-to-the-children" short version of the *General Theory* (Robinson, 1937) and including such highly appreciated works as Dillard (1948) or Hansen (1953). Hayes' book is the most recent example of this long saga, but we can be sure it will not be the last. This is a short book intended to introduce the reader to Keynesian thought through a fairly balanced combination of economic theory and economic policy. After a brief introduction, the following four chapters of the book are devoted to a comparison of Keynesian and "classical" theories, while the last three use Keynesian ideas to give a broad interpretation of current and past economic policy events and decisions, in Britain and the rest of the world.

Hayes is aware that his work will be compared with its illustrious predecessors, and he seems to anticipate some questions its potential readers might pose: Does the world really need another introduction to Keynes? Can anything be told that was not better told already? Does anybody care after so many years? Was Keynesian economics not discarded as a defective theory long ago? He organises his answers around what he perceives to be the four distinctive contributions of the book, namely: (i) aiming to undergraduates in social sciences, not just economists, as target readers; (ii) trying to cover all major economic Keynesian writings, not just the *General Theory*; (iii) providing bridges to current economic theory and policy and (iv) presenting the interpretation of Keynesian theory developed by himself in his previous works. Let us examine each contribution in turn to assess how convincing his answers are.

The claim that this book is directed to non-economists is grounded in the mathematical simplicity of the models used. Hayes presents "classical" theory (in Keynes' sense of the word "classical") with the help of a simple Ricardian corn model and basic supply-and-demand relationships. Keynes' own theory is described with the help of a linear IS-LM model. Hayes seems to fail unintentionally into the same trap he denounces at the beginning of the first chapter: that of equating mathematics with economics. While the non-mathematical exposition of the corn model seems fairly accessible to an average social sciences graduate, the exposition of Keynesian theory goes deeper into the realms of capital, money, interest, and how economics deals with the concepts of equilibrium, expectations and uncertainty. It is uncertain how much of it may be properly grasped without previous exposition to economic teaching.

The claim of covering all of Keynes' major writings seems designed to appeal to historians of economic thought. Certainly, an introductory text detailing the several stages of evolution in Keynes thought would be extremely useful for teaching a course on the history of Keynesian economics. But what this text offers instead is just a rational reconstruction of the Keynesian system as presented in the *General Theory*. Although the book deals, as promised, with all major Keynesian writings, it does not consider them independently from their relation to Keynes' *magnum opus*. The *Tract on Monetary Reform* and the *Treatise on Money* are presented as stages in the usual sequence that goes from the quantity theory of money to the theory of liquidity preference. *The Economic Consequences of the Peace* proves itself handy to fill in the void about international economics left by the closed-economy model of the *General Theory*. In this respect, Hayes' most original contribution is to include *How to Pay for the War* as a crucial step in the transition from Keynesian theory to Keynesian economic policy.

The book is much more successful when discussing economic policy questions. The last three chapters put Keynesian theory at work on an intriguing selection of past and current policy issues, if certainly from a British-centric perspective. The connection with current economic theory is also present, but somewhat underdeveloped. References to contemporary neoclassical theory are limited to some cursory mentions about rational expectations and the "Lucas critique" of macroeconomic policies, and references to non-classical approaches are limited to a brief critique of Modern Monetary Theory (MMT) and a broad acknowledgment of the post-Keynesian school of heterodox economists -the one the author himself identifies with.

Hayes' interpretation of Keynesian economics is a version of a common post-Keynesian argumentation reversing the mainstream view of Keynesian theory as the fixed-price special case of a more general "neoclassical" theory. Hayes summarizes his own view that Keynesian theory is more general than the neoclassical one around three central elements: (i) Keynes assumed flexible prices; (ii) Keynes considered income, wages and interest as intrinsically monetary (i.e., not real) variables and (iii) Keynes sustained an idiosyncratic view of liquidity, in which stock markets are considered illiquid and land can be considered sometimes as a liquid asset. The simplified argumentations presented in this book will probably persuade only those already convinced of their validity. The interested reader should do well to read Hayes' research papers to fully assess the merits of his interpretation.

All things put together, this a very well written book. It is simple and clear enough to be useful as an introductory text for readers with some basic knowledge about economics, while at the same time can provide guidance for those willing to investigate further its subject matter. It can easily be envisaged as a companion textbook for introductory teaching in the history of macroeconomics and macroeconomic policy. The four theoretical chapters will be of interest mainly for those who share at least part of the author's viewpoint. They do not really offer anything different from what can be found already in other works of the same tradition, although few of them match their clarity of exposition. Most readers will surely be attracted to the last three chapters, where Hayes masterfully delivers the message that Keynesian economics is still relevant today because our current economic institutions are, directly or indirectly, Keynesian in design. Our current economic world is in crisis, but this is still, paraphrasing Hicks (1974), "a crisis in Keynesian economics". We will need to refresh our knowledge of Keynesian economics to get out of the crisis, and this book is a good place to start.

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https://doi.org/10.33231/j.ihe.2021.04.010