

# Farjoun and Machover and Keynes and a probabilistic political economy\*

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## Abstract

In their book, “Law of Chaos, A probabilistic approach to political economy”, E. Farjoun and M. Machover, note that their survey “is an attempt to construct a non-deterministic theoretical framework for the foundation of political economy”. In the call for paper of this Conference one reads that the publication in 1983 of this work “was an event of genuine theoretical innovation in the field of political economy”. This statement misses a important element. It is true that ‘Law of Chaos’ was the first attempt to treat explicitly economics in a probabilistic way but in their effort, Farjoun and Machover completely forgotten Keynes’ though. In other words, Keynes’s work has passed over in silence by these two authors. Ironically, through history, Keynesian’s political economy is usually treated as a deterministic theory; as a theory having nothing to do with probability concept and notions. The fact that Keynes begun his scientific work studying the foundations of probability and statistics for more than ten years is usually neglected. His famous, but not so much read book, “A Treatise on Probability” published in 1921, summarizes these studies. Through his study, Keynes gave an original contribution to the philosophy of probability, a widespread and deep review of the inferential statistics as it was understood in the nineteenth century especially in Germany and a penetrating analysis of statistical and probability notions. Were these long and accurate researches fully forgotten by the economic theorist Keynes? In our opinion they were not. In his economic theorizing Keynes accepted many mathematical concepts forged in the physical science. In addition, he extensively but implicitly used probability notions. The standpoint of Keynes is very different from that of Farjoun and Machover. It would be very usefull to take a closer look on how much of the probabilistic ideas of Keynes are in. One can find many examples that related with the concept of propensity in the contributions of Keyne’s, especially in ‘The general theory’ and in the works he published later on. This notion has been considered a deterministic one. A parameter with a fixed value. On the contrary, there is at least an occasion in which the ‘propensity to spent’ is explicitly considered as a probability distribution. In recent years has grown the interest about

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the influence of Keynes's researches on the foundation of probability and statistics on Keynes' economics thought. It seems to us that it is worth to take Keynes's probabilistic ideas into account in order to build up a probabilistic political economy that carries on and surpasses the seminal work of Farjoun and Machover.

## References

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