

Romar Correa - Samuel GB Johnson

December 13, 2019 - 14:50

I am on board with Samuel Johnson's essay. What follows are some responses. I will not engage with the category 'neoclassical' when I recollect that von Hayek's treatment of the elements of the theme over his extensive writings are unparalleled for their depth and breadth. Substituting 'neoclassical' for mainstream now, ...[more]

... we cannot underestimate enough the power of that theory to take on the best of challenges that can be thrown at it. In order of the subjects brought up in the paper, beliefs are going through the grinder even as we write. Knightian uncertainty was tackled not so long ago. Thomas Sargent tamed bounded rationality in rational expectations macroeconomics. Never mind that in letter and spirit it was a travesty of what Herbert Simon intended. Bayes' formula has long been a source of discomfort and scholars like Larry Samuelson, Itzhak Gilboa and David Schmeidler are offering alternatives like inductive inference in the axiom-theory-proof format.

My view is a direct engagement with the social rather than the individual is a superior platform on which to stand to engage with neoclassical economics. Mental models are, above all, SHARED. Sense-making is social. Also, history will illuminate. For instance, Joel Mokyr has recently demonstrated that it was not just new technologies that accounted for growth over 1500 to 1700 but the transformation in the preferences and beliefs of the people in the efficacy of science in offering pathways to superior commerce and manufacturing.