

CHAPTER 18 OF THE *GENERAL THEORY* “FURTHER ANALYSED”: THE THEORY OF ECONOMICS AS A METHOD

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Abstract

This paper revisits chapter 18 of Keynes’s *General Theory* in the light of *A Treatise on Probability*. It shows that the notions of cause and independence used to discuss the relationships between the variables of the *General Theory* are related to the concept of “independence for knowledge”, which concerns logical connections between arguments rather than material connections between events. We demonstrate that such logical connections are rediscussed in chapters 19-21, where Keynes allows for probable repercussions between the factors and removes the simplifying assumptions previously introduced. After stressing the methodological continuity this method provides with the analysis of credit cycles in *A Treatise on Money*, we argue that chapter 18 is an indispensable tool to decode the text structure of the *General Theory*, and show that Keynes’s economic theory is in truth an analytical method allowing readers to emulate his efforts to grasp the complexity of the economic material.

Keywords: John Maynard Keynes, *The General Theory*, complexity, economic methodology
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