



Keynes's Treatise on Probability at 100: A Symposium. Introduction

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(Article begins on next page)

KEYNES'S TREATISE ON PROBABILITY AT 100: A SYMPOSIUM

INTRODUCTION

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When he published his dissertation, John Maynard Keynes intended his 1921 *Treatise on Probability* as a contribution to the foundations of probability and statistical inference – the *Treatise* being the first systematic work on the subject published in English since John Venn's *Logic of Chance*. Written for a specialized audience, the book was long ignored by economists, despite two specific references to it in crucial passages of the *General Theory*. Richard Braithwaite's foreword to the reprint of the *Treatise* in Keynes's 1973 *Collected Writings* did not help too, as it stressed the «intolerable difficulties» posed by Keynes's thesis that some probabilities are unmeasurable and indicated Frank Ramsey's subjective approach as a clear step forward in the development of the epistemic viewpoint the *Treatise* had introduced in probability theory.

The economics profession's neglect of the importance of this part of Keynes's work ended in the 1980s. The interest in non-mainstream approaches to uncertainty, especially among Keynesian scholars, eventually found in the *Treatise* the obvious place to look at in order to disentangle the actual meaning of that fundamental uncertainty whose nature and role in economic life Keynes had been so keen to emphasize. However, the task was noether simple nor uncontroversial. While flourishing at the time, the literature on Keynes's methodological thinking was characterized more by divergency and disagreement than by shared 'truths'. Even today, one hundred years after its publication, the literature on the *Treatise* strikes for its variety and complexity.

This symposium reproduces the four papers presented at the STOREP 2021 Annual Conference, in the virtual session especially dedicated to celebrate the centennial anniversary of the *Treatise*. The papers testify well to the diversity of views about the significance of Keynes's volume for both the probability theory and the main theme in Keynes's economics, namely, the pervasiveness of uncertainty in the economy and its substantial neglect by «classical» economists.

Anna Carabelli's paper explores the difficulties of making choices in front of tragic dilemmas, a situation of extreme uncertainty that she relates to the incommensurability of probabilities Keynes would emphasize when probabilistic reasoning cannot be applied. John Davis

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highlights the difference between Keynes's large/open world approach and the more conventional small/closed world approach of mainstream economics. While the latter suggests that uncertainty can be reduced to risk, only the Keynesian approach to probability is seen by Davis as adequate to the task of explaining the behaviour of economic agents under fundamental uncertainty. Donald Gillies concentrates on the kind of probability Keynes's treatment of conventional attitudes in markets would justify. His paper highlights the difficulties of Keynes's treatment in the *Treatise* vis-à-vis Frank Ramsey's critique, but also reminds the reader of his own interpretation of intersubjective probability, a way out Keynes may have alluded to in his treatment of expectations in the *General Theory*. My paper explores the significance of the *Treatise* as a contribution to the foundations of statistics for the analysis of decision making, focusing on the constructive components of the *Treatise* rather than on its critical ones.

The heated, and ongoing, discussions on these themes justify the reproduction in this symposium also of the comments made by the discussants during the conference, together with the brief responses the authors kindly prepared for this publication. Significantly, the comments contributed by Zeid Al Kaffaf and Valentina Erasmo show that the interest in Keynes's work on probability is still very well alive even among young scholars in the history of economics.