

Title: Uncertainty and Rationality in the Modern Macroeconomics

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ABSTRACT

What defines a stream of economic thought to be ‘orthodox’ or ‘heterodox’? Can the mainstream be called ‘orthodox’? And the heterodoxy? By completeness, can it be defined like what is not ‘orthodox’? Answering these questions is a task that always demands a considerable degree of arbitrariness.

In Macroeconomics, adjectives such as ‘orthodox’ and ‘heterodox’ are frequently justified by the result obtained in different models. It is usual to classify streams of economic thought according to how they are situated in the debate about: neutrality x non-neutrality of money, voluntary x involuntary unemployment, price flexibility x price rigidity, among others. What this text proposes is to establish a criterium of aggregation and comparison for new-classics, new-keynesians, post-keynesians, neo-ricardians, regulationist-marxists and new-institutionalists based on microeconomic foundations. The proposal is to analyze how each stream sees the decisory taking process of an agent (individual and firms) and how these decisions interact.

The central aspects of the analysis are first the individual conceptions of how the economic world works – giving attention to different notions of rationality – and second the coordination mechanisms among individual decisions that are related with different notions of uncertainty. The final objective is trying to construct a line in whose extremes are defined the maximum degrees of orthodoxy and heterodoxy and where, along the intermediary points, will be situated each analyzed stream.

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