

CALL FOR PAPERS

Journal of Economic Methodology Special Issue

The Lucasian Turn in Macroeconomics

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Deadline for paper submission: 15 June 2021

In 2022 we will celebrate the 50th anniversary of the publication of Robert E. Lucas's revolutionary paper, 'Expectations and the neutrality of money'. In honour of this occasion, editors of the Journal of Economic Methodology have decided to devote a special issue to the overall assessment of the impact of the paper and Lucas's theory, particularly from the perspective of economic methodology.

Background

'Expectations and the neutrality of money' was a milestone in the evolution of modern macroeconomics. In this paper, Lucas, with inspiration from Phelps, completed the placing of macroeconomics on microfoundations for the first time to understand business cycles as the outcomes of individual decisions. Soon afterwards, elaborating the microfoundations became for him the key to meaningful macroeconomics and the basis upon which he mounted a systematic offensive against then traditional Keynesian macroeconometrics. In line with this line of inquiry, Lucas developed the islands model and extended its applications throughout his career. This framework proved to be a defining and enduring constituent of his economics.

Lucas's idea of optimizing agents responding to unpredictable shocks to the money supply inspired others to apply the same framework to the case of stochastic shocks to preferences or technology. The resulting real business cycle (RBC) theory, initiated by Prescott, Kydland, Plosser and others, thus has its roots in Lucas's core islands model framework. Given the profound influence RBC theory has exerted on today's economics, it is not an overstatement to say that Lucas, both directly and indirectly, was one of the most powerful formative minds behind modern macroeconomics. It is also Lucas's islands models and the resulting 'Lucas critique' that forced Keynesians to provide microfounded explanations for the traditional Keynesian assumptions (e.g. rigidity of prices and wages). Moreover, monetary neutrality, Lucas's core theoretical and economic policy puzzle, is still active as a problem.

Call for Papers

We invite papers that approach the Lucasian turn in macroeconomics from a methodological and historical perspective. We are particularly interested in papers that use philosophy and history of economics in an integrated way to shed light on both Lucas's approach and its impact from the point of view of economic methodology. The following list of topics, issues and questions could serve as a starting point for the scholars who are interested in contributing to this special issue.

- The methodological significance and epistemic value of the islands model and its extensions.
- Several methodological issues that relate to Lucas's work, particularly with respect to microfoundations, supervenience and reducibility.

- Lucas’s methodological stance—what did he think about the level where models needed to connect to reality?
- The econometric practice behind the island models, the triumph of the DSGE framework in particular, and the controversy between estimation and calibration.
- The emergence and evolution of the islands model framework in Lucas’s economics. For example, how did it make its way into real business cycle modelling and later into central bank modelling?
- Lucas’s relationship to the Chicago school of economics. For example, how did Lucas made the previously anti-empirical Walrasian economics an applied and data-based theory and responded to Friedman’s criticisms?

This, of course, is only a preliminary set of questions. We welcome all papers that deal with the Lucasian turn in macroeconomics in line with the aims and scope of the *Journal of Economic Methodology*.

INSTRUCTIONS FOR AUTHORS

Papers must follow the general [instructions for authors](#) of the *Journal of Economic Methodology* and be ready for the peer-review process. Submission takes place via the journal’s [submission page](#). The papers submitted to the special issue will go through the standard peer-review process.

Step-by-step instructions

Manuscripts are submitted via JEM’s submission site: <https://mc.manuscriptcentral.com/rjec>

- If you do not have an account, please create an account by clicking on “Create an Account” on the top menu.
- If you already have an account, you can login by entering your credentials.

To submit your manuscript for the review symposium, please follow these steps:

1. Login to manuscript central: <https://mc.manuscriptcentral.com/rjec>
2. On the top menu, click on “Author” to go to the Author Dashboard.
3. You should be seeing the “Start a New Submission” menu. Click on “Begin a Submission” under Traditional Submission.
4. On Step 1. Choose “Original Manuscripts” and enter the details of your manuscript.
5. Complete Steps 1-6 by answering the questions on the screen. Please note that in Step 2 you will need to upload the manuscript file.
6. **This is an important step:** “Step 5: Details and Comments”. When you arrive at Step 5, on the bottom of the page you’ll see the following question: “Is this manuscript a candidate for a Special Issue?” Please select “Yes” and choose the name of the special issue from the dropdown list. The name of the special issue is: “Lucasian Turn”
7. Complete the remaining steps to review and submit your manuscript.