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Arie Arnon, Warren Young, and Karine van der Beek, eds., *Expectations: Theory and Application from Historical Perspectives* (Cham: Springer, 2020), pp. xiv + 238, $160. ISBN: 9783030413569.

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Expectations: Theory and Application from Historical Perspectives is a collective volume, gathering the contributions presented at the fourth Thomas Guggenheim Conference in the History of Economics, held in December 2017 at Ben Gurion University (Israel). The book consists of a very short introduction by the three editors and twelve chapters regrouped in three parts. Each part of the book, in the logic of the editors, provides a different perspective on the role and place of expectations in economics. Part I (which consists of one single paper by Duncan Foley) gives an economist's viewpoint on the issue; Part II (the most substantial part of the book, featuring eight chapters) consists of contributions by historians of economic thought; Part III consists of three chapters in economic history, analyzing four economic events or periods where the role of expectations is deemed important.

As it is often the case with published proceedings, consistency is not the distinctive characteristic of the present book. It is even less so since the topic ("Expectations") has been left intentionally open to very broad interpretation—as for the time span covered, as for the domains of application, and as for the very meaning of the concept of "expectations" (which here encompasses also "beliefs," "conjectures," and the like). Consequently—and somehow naturally, given pre-existing literature—most chapters address expectations in macroeconomics, from John Maynard Keynes to Milton Friedman. Exceptions (besides the papers in economic history in Part III) are Amos Witztum's rereading of expectations in Adam Smith and classical economics (Chapter 2) and Foley's reconstruction of his own personal "intellectual history" through the lens of the topic of expectations (Chapter 1).

The core of the book, comprising six chapters on expectations in macroeconomics, from Keynes to Friedman, is henceforth the part that is more likely to draw the readers' attention.

Maria Cristina Marcuzzo (Chapter 3) and Mauro Boianovsky (Chapter 4) both focused on expectations within the interwar Cambridge (UK) approach. Marcuzzo illustrates how Alfred Marshall, John Maynard Keynes, and Richard Kahn shared a "mode of inquiry" on expectations, "in which the expectations are not conceptualized or modelled on the basis of a probability distribution" (p. 55).

Boianovsky's chapter investigates the work of a less-known Cambridge economist, David G. Champernowne, who was a student of Keynes and Arthur Pigou's teaching assistant. Boianovsky describes how, in 1936, a few months after the publication of the *General Theory,* Champernowne attempted to provide a theoretical synthesis between Keynes's and Pigou's depiction of the labor supply. The chapter illustrates how Champernowne suggested that Keynes's point about workers' focus on money wages was actually a generalization of Pigou's view that workers were "most of the time" concerned with real wages—henceforth "sometimes" concerned with money wages. From this reading, Champernowne developed a model where the different focus (on real or money wages) was explained by workers' expectations on the cost of living, embedded in wage contracts. From this hypothesis Champernowne developed a specific category of unemployment ("monetary unemployment"), which, Boianovsky points out, is original with respect to both Pigou and Keynes (and further interpretations of Keynes, notably John Hicks's). It is fascinating to learn that Champernowne's synthesis went unnoticed, starting from his contemporaries at Cambridge; in the last section of the paper, Boianovsky provides some considerations about the reasons for this neglect.

Sylvie Rivot (Chapter 5) and Robert Dimand (Chapter 6) shift the focus on later debates. Rivot provides a comparison between Keynes's and Friedman's interpretations of the Great Depression. According to Rivot, both authors introduced in their explanation a notion of "expectations mismatches" (short-term nominal expectations in Friedman's, long-term expectations in Keynes's). Section 3 of this chapter is particularly original since it tracks down "in real time" Keynes's reaction to the events of the Great Depression, relying on Keynes's statement to the Economic Advisory Council and Keynes's lectures in the US held in 1931 (pp. 98–99).

Dimand discusses the origins of James Tobin's "q theory of investment," notably Keynes and Irving Fisher. The role granted by Tobin to expectations (expectations of asset returns and expectations of inflation) in determining macroeconomic stability is highlighted clearly and convincingly. I have found particularly interesting Section 4 of this chapter, in which Dimand discusses Tobin's defense of his work as "Keynesian"—as a reaction to criticisms made against Tobin by Hyman Minsky and James Crotty. Debates between "post-Keynesian" and "Keynesian" in the US context are, I feel, an understudied topic, and this part of Dimand's chapter provides a novel contribution in assessing the stakes of such debates.

Michael Assous and Muriel Dal Pont Legrand (Chapter 7) investigate expectations in growth macroeconomics, contrasting Roy Harrod's approach with the neoclassical (Solow-Swan-Meade) growth model. Assous and Dal Pont Legrand ask a clear question ("How did expectations come to be ignored [by growth theory] and what have been the consequences for analyses of growth stability?," p. 122) and provide a clear answer ("[not incorporating expectations] led [growth theory] to examine economic dynamics under the hypothesis of full employment and ultimately to admit that the saving-investment coordination problem could be ruled out in the context of the long run," p. 128). The paper relies on a very brief (although convincing) investigation about the reason for this neglect of expectations by growth theories—that is, the difficulty in building a satisfying investment function incorporating expectations (pp. 125–128).

Harald Hagemann (Chapter 8) provides a very short review of the different expectations hypotheses applied to the Phillips Curve and their historical origins. This is a useful summary, nicely framing the evolution of both the different expectational hypotheses and the current state of historiography on the Phillips Curve; however, it would provide little new information to those already familiar with the issue.

It will perhaps surprise some readers (like the author of this review) that a book with such an ambitious title does not feature any contribution providing a substantial historical perspective on rational expectations. And yet, in nearly all chapters, rational expectations are invariably mentioned and often criticized (sometimes uncharitably, in my opinion)—in any case, rational expectations are held as a breakthrough. Maybe it would have been a task for the editors (in their introduction) to frame the historical stakes of such a breakthrough. More recent strains of the literature on expectations (notably those beyond macroeconomics, for instance in behavioral economics) are also cryingly absent from the book. One could also regret that, besides Boianovsky's piece on Champernowne, the historical focus has been put yet again on a handful of "useful suspects," i.e., those "canonical" or "great" authors, on whom much scholarship has been produced already.

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Robert J. Shiller, *Narrative Economics: How Stories Go Viral and Drive Major Economic Events* (Princeton: Princeton University Press, 2019), pp. xii + 378, $27.50 (hardcover). ISBN: 9780691189970.

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This review should begin with one important caveat. Although the title of the volume under scrutiny may suggest otherwise, this is not a history book. Nobel Memorial Prize laureate Robert Shiller, who wrote it, mentions historians and historical references on several occasions and repeatedly attempts to reconstruct past economic events historically, but overall this is an essay in economic theory, the main purpose of which is to propose a new research agenda in behavioral macroeconomics. More precisely, this is a follow-up on one idea Shiller introduced several years ago in the book he co-wrote with another Nobel Prize recipient, George Akerlof, *Animal Spirits* (2009). In that book, Shiller and his co-author had suggested that among several other factors, narratives may help explain economic downturns. More precisely, they argued that narratives dissemination was part of the herding behaviors leading to economic bubbles during phases of economic expansion, eventually leading to the crash that follows. Having used the Akerlof and Shiller book for pedagogical purposes, I had found that part quite the weakest aspect of an overall convincing argument. One of my problems was that the notion of "narrative" seemed poorly defined or delineated, an issue that was not helped by the fact that I had read it in French and that in that edition *narrative* had been translated by *histoire*, a word that alternately means "story" or "history." Therefore, what I expected from the present book was some sort of conceptual clarification. Unfortunately, my reading leads me to conclude that my reservations were not solely due to mere translation issues. But before I address these reservations, let me say more about the book's stated objectives, its structure, and main assertions.

"Narrative economics," Shiller tells us, is an old expression that, in the late nineteenth century, was mentioned in Palgrave's *Dictionary of Political Economy* as a method of presenting one own's narrative of historical events. What Shiller calls "narrative economics," however, is a completely different matter: it is the use of narratives as a predictor of potentially damaging economic events. In his preface, the Nobel Prize theorist makes it clear that his purpose is not just to explain economic behavior using narratives but to provide "better forecast of major economic events" (p. xiii), the