

Peter Flaschel

Topics in Classical Micro- and Macroeconomics

Elements of a Critique of Neoricardian Theory



Springer

Contents

Part I Labor Values: Theory and Measurement

1	The So-Called “Transformation Problem” Revisited.....	5
1.1	Introduction and Overview	5
1.2	Lipietz’s Theorem	6
1.3	Labor Value Ratios: The Systematic Component in Their Price Expressions?	7
1.4	Conclusions.....	8
	References.....	9
2	Baseline Approaches to the Labor Theory of Value	11
2.1	Introduction.....	11
2.2	Labor Value Accounting: Some Propositions	15
2.3	Four Baseline Approaches to Marx’ Labor Theory of Value.....	18
2.3.1	The Temporal Single System Interpretation (TSSI)	18
2.3.2	The Aggregate Single System Interpretation (ASSI)	21
2.3.3	The Conventional Dual System Approach (CDSA)	23
2.3.4	The Marxian Dual System Approach (MDSA)	27
2.4	Conclusions.....	32
	References.....	34
3	Using Labor Values: Labor Productivity and Technical Change	37
3.1	Introduction.....	37
3.2	Labor Productivity. A Marxian Critique of its Value-Added Decomposition	38
3.2.1	The Measurement of Labor Productivity	38
3.2.2	Input–Output Tables and Measures of Real Value Added	40
3.2.3	Labor Values as Measures of Labor Productivity	42
3.2.4	Notes on Technological Change	47
3.2.5	Disaggregating Aggregate Measures of Labor Productivity ..	49
3.2.6	A Summing Up	53

3.3	Technical Change and the Law of Decreasing Labor Content	54
3.3.1	Basic Propositions on Price-Value Relationships	54
3.3.2	Notes on the Law of Decreasing Labor Content	58
3.3.3	Multiple Activities and Joint Production: Some Observations	60
3.3.4	The Okishio Theorem and the Tendency of the Profit Rate to Fall	62
3.3.5	The Law of Decreasing Labor Content: Empirical Results	63
3.4	Conclusions.....	69
	References.....	69
4	Marx After Stone: The Marxian Contribution to the UN's SNA	71
4.1	Introduction.....	71
4.2	Employment Multipliers and Labor Values in Pure Joint Production Systems.....	73
4.2.1	Employment Multipliers	74
4.2.2	Labor Values	76
4.2.3	Summary	81
4.3	Measurements of Total Labor Requirements Using Input–Output Methodology	82
4.3.1	A Physical Input–Output Example	83
4.3.2	Case 1: Industry Coefficients	83
4.3.3	Case 2: The Output Method.....	85
4.3.4	Case 3: The Commodity–Technology Hypothesis	86
4.3.5	Case 4: The Industry–Technology Hypothesis	88
4.3.6	Concluding Remarks	89
4.4	Actual Labor Values vs. Zero–Profit Prices in Sraffian Models of Fixed Capital	90
4.4.1	Introduction	90
4.4.2	Average and Individual Labor Values in Single Product Systems	92
4.4.3	Individual Values in the Case of Fixed Capital: Steelman's Example of Falling Efficiency Reconsidered ...	96
4.4.4	Rising Efficiency and Rising Book Values of Machinery.....	100
4.4.5	Final Remarks	103
4.5	Conclusions and Outlook	104
	References.....	107
5	Actual Labor Values in a General Model of Production	109
5.1	Introduction.....	109
5.2	A General Equilibrium Approach to Marxian Economics	111
5.2.1	Reproducible Solutions.....	112
5.2.2	The Optimum Labor Theory of Value	113

5.3	A New and Measurable Definition of Labor Values for Joint Production Systems	115
5.3.1	Marx's Case of Multiple Activities	116
5.3.2	Joint Production	117
5.3.3	The Input–Output Approach to Joint Production	120
5.4	Values, Prices and Profits	124
5.5	Conclusions.....	128
	References.....	128
6	Employment Multipliers and the Measurement of Labor Productivity ..	129
6.1	Introduction.....	129
6.2	The Measurement of Total Factor Requirements Using Input–Output Tables	130
6.3	Joint Production	132
6.4	System Indicators of Employment and Productivity	133
6.5	Some Results for an Analysis of Technical Change	137
6.6	The Case of a Uniform Composition of Capital	139
6.7	Conclusions.....	140
	References.....	142
7	Technology Assumptions and the Energy Requirements of Commodities	145
7.1	An Overview on Problems and Results	145
7.2	Analytical Preliminaries	150
7.3	Energy Consumption.....	152
7.4	Energy Costs.....	159
7.5	Comparing Energy Consumption and Energy Costs	165
7.6	Summary.....	172
	References.....	172
 Part II Production Prices and the Standard Commodity.		
A Critical Reassessment		
8	In Search of Foundations for a Classical Theory of Competition	179
8.1	Classical Ruthless Competition.....	179
8.2	Two-Sector Economies	180
8.2.1	The Crude State of the Society.....	180
8.2.2	Some Observations	182
8.2.3	Production of Commodities by Means of Commodities	183
8.3	Sraffian Multisectoral Economies	190
8.3.1	Economic Properties	191
8.3.2	Mathematical Foundations	193
8.4	A Streetcar Named Desire: The von Neumann Production Price Model.....	197
8.5	Differentiated Sectoral Wage and Profit Rates	204

8.6	Capital Stock Matrices and Sectoral Profit Rates	216
8.6.1	Capital Consumed and Capital Advanced	216
8.6.2	Makeshift Construction of Empirical Depreciation and Capital Stock Matrices.....	219
8.7	Conclusions and Outlook	225
	References.....	226
9	Two Concepts of Basic Commodities for Joint Production Systems	229
9.1	Introduction	229
9.2	Basic Leontief-Commodities	230
9.3	<i>L</i> -Basics: Further Discussion.....	234
9.4	Basic Sraffa-Commodities	241
9.5	Conclusion.....	246
	References.....	246
10	Some Continuity Properties of a Reformulated Sraffa Model	247
10.1	Introduction	247
10.2	Limit Cases of Sraffian Models of Production Prices	247
10.3	Some Propositions	250
10.4	Conclusions	254
	References.....	255
11	The Standard Commodity and the Theory of Income Distribution	257
11.1	Introduction.....	257
11.2	The Sraffian Approach to Income Distribution	257
11.3	The Standard Commodity.....	259
11.4	Hiding Nonlinearities: The Role of the Standard Commodity	259
11.5	Conclusions.....	264
	References.....	264
12	Sraffa's Standard Commodity: No Fulfillment of Ricardo's Dream of an 'Invariable Measure of Value'	265
12.1	Introduction.....	265
12.2	Flaws in the Interpretation of the Standard Commodity.....	266
12.3	Flaws in the Construction of Sraffa's Standard of Value	269
12.4	On the Non-Existence of an 'Invariable Measure of Value'.....	273
12.5	Conclusions.....	277
	References.....	278
Part III Gravitation or Convergence in Classical Micro-Dynamics		
13	Dressing the Emperor in a New Dynamic Outfit	283
13.1	Introduction	283
13.2	An Extension of the Walrasian Tâtonnement Process	286
13.3	Global Stability by Derivative Control	289
13.4	Examples	294

13.5	Conclusions.....	298
	References.....	299
14	Stability: Independent of Economic Structure? A Prototype Analysis ..	301
14.1	Introduction.....	301
14.2	Cross-Dual Dynamics in Walrasian Production Economies	303
14.3	Universal Stability.....	308
14.4	Newton Methods: Old and New	314
14.5	Ignorable Components?.....	319
14.6	Conclusions.....	325
	References.....	326
15	Classical and Neoclassical Competitive Adjustment Processes.....	329
15.1	Introduction.....	329
15.2	Neoclassical Stability Analysis in the Short and in the Long Run	330
15.3	Classical Competition: Notes on the Literature.....	333
15.4	A New Approach to the Stability of Market Economies	337
15.4.1	Square Joint Production Systems	337
15.4.2	Process Extinction	343
15.4.3	Product Extinction.....	346
15.5	Conclusions.....	347
	References.....	349
16	Composite Classical and Keynesian Adjustment Processes.....	351
16.1	Introduction.....	351
16.2	Notes on the Literature.....	352
16.3	Dual Dynamics	354
16.4	The Composite System	357
16.5	Some Preliminaries.....	358
16.5.1	Stability of the Keynesian Case and the Composite System	359
16.5.2	Stability of the Classical Case and the Composite System	362
16.6	A New Approach to the Stability of Composite Systems	365
16.7	An Alternative Investigation of the Stability of Composite Systems ..	371
16.8	Some Simulations Studies	374
16.9	Conclusions.....	379
	References.....	388
Part IV Gravitation or Convergence in Classical Macro-Dynamics		
17	Some Stability Properties of Goodwin's Growth Cycle Model	393
17.1	Introduction.....	393
17.2	An Extended Goodwin Cycle.....	393
17.3	The Goodwin Case Reconsidered	397
	References.....	398

18 Endogenous Aspirations in a Model of Cyclical Growth	399
18.1 Introduction	399
18.2 A Model of Cyclical Growth	400
18.3 Discussion of the Model	403
18.3.1 The Implied Dynamics	403
18.3.2 Properties of the Steady State	404
18.3.3 The Phase Portrait of the Model	404
18.3.4 Local Stability	406
18.3.5 Asymptotic Stability in the Large	407
18.4 Conclusions	409
References	410
19 Partial Cooperation with Capital vs. Solidarity in a Model of Classical Growth	411
19.1 Introduction	411
19.2 Solidarity Among Workers	415
19.3 Partial Cooperation Between Labor and Capital	417
19.4 A Simple Completion of Goodwin's Growth Cycle and the Implications of Cooperation	423
19.5 Conclusions	428
References	433
20 The Classical Growth Cycle: Reformulation, Simulation and Some Facts	435
20.1 Introduction	435
20.2 A Growth Cycle Model with a Government Sector	439
20.3 Some Simulation Results	444
20.4 A Look at the Data	447
20.5 Concluding Remarks and Outlook	459
References	462
21 The Goodwin Distributive Cycle After Fifteen Years of New Observations	465
21.1 Introduction	465
21.2 The Growth Cycle Model: Basic Ingredients for a Limit Cycle Result	468
21.3 Exploring Growth Cycles for the US Economy: A Brief Reconsideration	470
21.4 The US Economy: Extended Data Set and Basic Econometric Issues	472
21.5 Business Cycles and Long Phase Cycles in the US Economy: Bivariate P-SPLINE Testing	474
21.6 Conclusions	477
References	479

- 22 Classical Dynamics in a General Keynes–Wicksell Model481**
 - 22.1 Introduction481
 - 22.2 The General Model482
 - 22.3 Comparative Statics, Dynamics and the Steady State488
 - 22.4 Medium Run Dynamics491
 - 22.4.1 Adaptive Expectations491
 - 22.4.2 Regressive Expectations494
 - 22.5 Long Run Dynamics and Global Stability495
 - 22.6 Some Numerical Results499
 - 22.7 Conclusions502
- References506