

Contents

Acknowledgments *page xii*

Introduction	1
Methodology	1
Summary	10
1 Equilibrium and reproducibility: the linear model	15
1.1 A brief review	15
1.2 A more complete definition of Marxian equilibrium	17
1.3 A model of imperfect competition	23
1.4 Some dynamics in the linear, Leontief model	29
2 Reproducibility and exploitation: a general model	35
2.1 Introduction	35
2.2 Specification of the model	36
2.3 The existence of reproducible solutions	41
2.4 The fundamental Marxian theorem	47
2.5 Exploitation, labor values, joint products, and scarce inputs	51
2.6 The social determination of the value of labor power	52
2.7 The interaction of class consciousness and the choice of technique	55
2.8 Summary	60

	Appendix 1: Existence of reproducible solutions with the value of labor power socially determined	61
	Appendix 2: Necessary and sufficient conditions for the validity of the fundamental Marxian theorem	64
	2.9 Outline of problem	64
	2.10 The model	65
	2.11 The fundamental Marxian theorem	67
	2.12 Conclusion	69
3	The equalization of profit rates in Marxian general equilibrium	71
	3.1 Introduction	71
	3.2 Marxian equilibrium with finance capital market	73
	3.3 Summary: what drives profit-rate equalization in the Marxian model?	81
	3.4 Positive profits, positive exploitation, and the theory of profits	83
4	Viable and progressive technical change and the rising rate of profit	87
	4.1 Introduction	87
	4.2 The value and price rates of profit	90
	4.3 The effect of technical change on the rate of profit	97
	4.4 Progressive and viable technical change in steady-state growth	105
	4.5 Summary	107
	Appendix: Frobenius-Perron eigenvalue theorems	110
5	Continuing controversy on the falling rate of profit: fixed capital and other issues	112
	5.1 The need for microfoundations: methodology	112
	5.2 Miscellaneous arguments against Okishio's theorem	114

Contents	ix
5.3 The rising rate of profit with fixed capital: a special case	119
5.4 The general case of fixed capital: the von Neumann model	124
5.5 Conclusion	132
6 Changes in the real wage and the rate of profit	134
6.1 Introduction	134
6.2 Technical change with constant relative shares	134
6.3 A model of relative share constancy within sectors	137
6.4 Technical change and class struggle: effi- cient versus controlling technical changes	140
6.5 Summary	144
7 The law of value and the transformation problem	146
7.1 Marx's project: where do profits come from?	146
7.2 Marx and the subsistence wage	150
7.3 The law of value	153
7.4 The transformation problem	159
7.5 Summary	160
8 The transformation correspondence	162
8.1 Introduction	162
8.2 The transformation correspondence	162
8.3 Some applications of the transformation correspondence	170
8.4 Summary	175
9 Simple reproduction, extended reproduction, and crisis	177
9.1 Introduction	177
9.2 Simple reproduction	178
9.3 Extended reproduction	182
9.4 Three Marxian crises	192

x	Contents	
	9.5 A one-sector model	195
	9.6 Summary	198
10	Summing up and new directions	199
	<i>Notes</i>	211
	<i>References</i>	215
	<i>Index</i>	219