

Contents

<i>Preface</i>	<i>page</i> xiii
<i>Acknowledgements</i>	xv
Part I Single production	
1 Principles	3
2 The corn model	5
1 A simple economy	5
2 Duality	5
3 Expressions of price	7
4 Choice of techniques	8
5 Scope and limits of the model	12
3 A two-commodity economy	13
1 A basic two-good economy	13
2 Viability	14
3 Accumulation and consumption	15
3.1 Feasible rates of growth	15
3.2 Consumption	16
4 Profit and wage	17
4.1 Profitability and prices	17
4.2 Geometrical representation	19
4 A basic multisector economy	21
1 A complex economy	21
2 Properties of indecomposable matrices	22
3 Economic properties	23
4 Sensitivity analysis	26
5 Linear models	26
5.1 Sraffa and Leontief	26
5.2 A taste of von Neumann's theory	28
6 Proofs	29
5 Non-basic economies	31
1 Nested systems	31
2 Relevant notions	31

vi	Contents	
	3 Properties	33
	4 The Austrian economy	34
	5 Tax and tribute	36
	6 Conclusion	36
	7 Proof	37
6	Relative prices	39
	1 Price and payment of wages	39
	2 Price curves	40
	2.1 Price space	40
	2.2 Visualization	42
	3 Distances between relative prices	44
	3.1 Attractive cones	44
	3.2 Hilbert distance	46
	4 The golden sub-system	47
	5 Wicksell price effects	48
	6 References	48
	7 Proofs	49
7	Ricardo's theory of value	53
	1 The theory of value as a stake	53
	2 Difficulty of production and absolute price	55
	3 The embodiments of value	57
	4 A Ricardian standard of value	60
	4.1 Corn as an absolute standard	60
	4.2 Ricardo on measure	62
	4.3 Multisector economies	64
	5 Range of the construction	65
	6 Notes on Sraffa's interpretation	65
	7 Mathematical discussion	67
8	The labour value	69
	1 A measure of absolute value	69
	2 The problem of transformation	70
	2.1 From values to prices	70
	2.2 The impossible transformation	72
	3 The falling rate of profit	73
	3.1 Statement of the law	73
	3.2 A Marxian study	74
9	Choice of technique	77
	1 The question	77
	2 Dominant technique and market algorithm	77
	3 Convergence and existence	79
	4 Properties	82
	5 Laws on prices	84
	6 Sraffa on switches	86
	7 Proofs	88

Contents vii

Part II Joint production

10	Joint production: a theoretical object	93
1	A grain of sand	93
2	The project	93
11	Paradoxes and tools	95
1	Not amused	95
2	Some catastrophes	95
3	The price space	96
3.1	A geometrical approach	96
3.2	Some properties of the candidates	99
3.3	Restoration of semi-positive prices	100
4	The quantity space	101
5	The Lippi problem	103
5.1	Rigid demand, in particular	103
5.2	The golden rule	105
6	Conclusion	106
7	References	107
8	Proof	108
12	Engaging systems	110
1	A desirable property	110
2	Notion of an all-engaging system	111
3	Bounds to regularity	114
4	Geometrical interpretation	115
5	Semi-engaging systems	116
6	Reducibilities versus decomposability	117
7	Conclusion	120
8	References	121
9	Proofs	122
13	From von Neumann to Sraffa	129
1	A universal property	129
2	The von Neumann theory	129
3	Von Neumann and Sraffa	131
3.1	An all-engagingness property	131
3.2	Quantities and prices	132
4	Geometrical illustration	133
5	Conclusion	134
6	Note on von Neumann	135
14	The notion of a sector	137
1	From industries to sectors	137
2	Sectors and final goods	138
3	Adjustment with capital goods	139
4	Sectors with capital goods	141
5	Vertical integration	143
6	A non-substitution result	146
7	Conclusion	147

viii	Contents	
	8 References	148
	9 Proofs	148
15	Austrian and one-machine models	152
	1 Two fixed-capital models	152
	2 The Austrian project and truncation	154
	2.1 Investment criteria	154
	2.2 The truncation hypothesis	155
	2.3 The Ricardian law	159
	3 The multisector one-machine model	160
	3.1 Centre and prices	160
	3.2 Effects of truncation	164
	4 Fixed capital without truncation	165
	4.1 Austrian project without truncation	165
	4.2 One machine without truncation	167
	5 Conclusion	168
	6 Historical notes	169
16	Fixed-capital theory	172
	1 One theory	172
	2 A general fixed-capital model	172
	3 Smoothness of vertical integration	176
	4 Applications	179
	5 Conclusion	180
	6 References	180
	7 Proofs	181
17	Rent theory	184
	1 The difficulty of reproduction	184
	2 Land and joint production	184
	3 Two pure types of rent	187
	3.1 Extensive rent	187
	3.2 Intensive rent	189
	4 Technical choice with rent	191
	4.1 Existence results	191
	4.2 Indeterminacy of distribution	193
	5 A Ricardian model	193
	6 References	196
	7 Proofs	197
Part III Questions of method		
18	An agenda	201
19	A Sraffian theory of choice of technique	202
	1 A theoretical divide	202
	2 An original methodology	203
	3 Market algorithm and consistency	205
	4 Candidates	206
	5 Pre-technologies	207

Contents	ix
5.1 The insertion axiom	207
5.2 Existence and oddity	209
6 Technologies	210
6.1 Quasi-technology and convergence	210
6.2 Robustness, softness and uniqueness	211
7 Two applications	212
8 Conclusion	214
9 Switches and fakes	215
10 Proof	217
20 The structure of general equilibrium	220
1 Walras first	220
2 Static equilibrium	221
2.1 Utility, never	221
2.2 General equilibrium	222
3 Intertemporal economies	224
4 Efficiency and competition	226
4.1 The concept of efficiency	226
4.2 Where prices appear	226
5 Efficiency in an infinite horizon	228
5.1 The lost equivalence	228
5.2 Three efficiency criteria	230
5.3 Competition and inefficiency	232
6 The programme	233
7 Walras' theory of capitalization	233
7.1 Formalization	233
7.2 Discussion	235
21 The marginal equalities	237
1 The dispute over marginal equalities	237
2 The marginal productivity of labour	238
3 The demand for labour curve	240
3.1 Full-price adjustments	240
3.2 Quantity adjustments	241
4 The marginal productivity of capital	242
5 A numerical example	244
5.1 A WS calculation	244
5.2 Rule or fog	245
6 An Austrian forest	248
7 Capital theory	249
7.1 Time as capital	250
7.2 A miracle	251
8 Conclusion	252
22 Intertemporal models and prices of production	253
1 A comparative study	253
2 Reproduction in a Walrasian model	253
2.1 One-period model	253
2.2 Invariant relative prices	255
2.3 A general result	256

x	Contents	
	3 The Morishima model	257
	3.1 Distribution and growth in a corn model	257
	3.2 A multisector model	258
	4 The squareness question	259
	4.1 A critique of Lippi's model	259
	4.2 The squareness problem	260
	4.3 General argument for squareness	262
	5 Rectangular systems: why, when, how?	262
	5.1 Substitution and income effects	262
	5.2 Economic behaviour of rectangular systems	264
	5.3 Squareness and beyond	265
	6 Conclusion	266
	7 Discussion	267
	8 Proofs	268
23	Long-term prices and exhaustible resources	270
	1 A methodological challenge	270
	2 Convergence towards long-term prices	271
	2.1 Turnpike results	271
	2.2 Single production	272
	3 The corn–guano model	272
	3.1 Why?	272
	3.2 The model	274
	3.3 Intertemporal distribution	277
	4 Rates of profit and numéraires	278
	4.1 A mixed numéraire	278
	4.2 The natural path	279
	4.3 Guano paths and actual paths	281
	5 Multisector models with exhaustible resources	282
	5.1 The measures of profit	282
	5.2 A generalization	284
	6 Theoretical appraisals	285
	6.1 History and analysis in post-Sraffian literature	285
	6.2 A conceptual mismatch	288
	6.3 Alternative formalizations	290
	7 Conclusion	291
24	An overview	293
	1 Method	293
	2 The results	294
	3 A prelude to a critique?	297
	3.1 Sraffa's radical project	297
	3.2 Requirements for use versus demand	298
	3.3 The returns	300
	3.4 The theory of capital	301
	4 The temptation of general equilibrium	302
	4.1 A necessary reference	302
	4.2 Apparent oppositions	303
	4.3 Post-Sraffian ambiguities	304

Contents	xi
5 A fruitful standpoint	305
5.1 Which exogenous variables?	305
5.2 The equilibrium paths	306
5.3 The disequilibrium paths	307
6 Omega	308
Mathematical appendix: elements of combinatorial geometry	309
1 A combinatorial problem	309
2 Candidates and techniques	309
3 The naked Sperner lemma	313
3.1 The simplicial model	313
3.2 The combinatorial lemma	314
3.3 Orientations	316
4 Two applications	318
4.1 The geometrical Sperner lemma	319
4.2 Pre-technology and the Colour Theorem	320
5 An algorithm for techniques	322
5.1 An alternative approach	322
5.2 Quasi-technology and existence	324
5.3 Pseudo-technology and uniqueness	328
5.4 Technology	330
6 Application and comparisons	331
7 Sources	333
<i>References</i>	334
<i>Author index</i>	348
<i>Subject index</i>	351