Contents

Notes on the Contributors xv
Preface xxxiii
Acknowledgments lxvii

1 Joan Robinson Inside and Outside the Stream **1**
George R. Feiwel
1 Introduction 1
2 Imperfect competition: Marshall, Pigou and Sraffa 2
3 *The Economics of Imperfect Competition* 10
4 Imperfect competition reconsidered 21
5 The Keynesian revolution 33
6 *The Accumulation of Capital* and vicissitudes of capitalism 44
7 The capital controversy 59
8 *Economic philosophy* 71
9 *Non Omnis Moriar* 102

2 Remembering Joan **121**
Paul A. Samuelson
1 Introduction 121
2 Marxian studies 122
3 Constant returns? 125
4 Personalities 127
5 Factor–price flap 128
6 Agnosticism 130
7 A simplified thought experiment 132
8 Joan Robinson, leftist 135
9 What the capital controversy taught me 137
10 Finale 139

PART I: CONTENT AND METHOD OF ECONOMIC THEORY

3 Joan Robinson and Modern Economic Theory: An Interview **147**
Kenneth J. Arrow

4 Some Assumptions of Contemporary Neoclassical Economic Theology **186**
Peter J. Hammond
1 Assumptions are not to be compared with reality 186
2 Consumer sovereignty 193
3 Unbounded rationality 196

4 Unbounded forethought 199
5 Unbounded cooperation 203
6 Pareto efficiency is sufficient for ethical acceptability 206
7 The distribution of wealth is ethically acceptable 208
8 Consumers can survive without trade 210
9 Income effects are negligible 212
10 Pareto efficiency is necessary for ethical acceptability 214
11 There is a representative consumer 218
12 Distortionary taxes create deadweight losses 221
13 Domestic public expenditure programs are wasteful 222
14 Transfer programs confer no benefits 225
15 Capital markets are perfect 226
16 Anticipated monetary and fiscal policies are ineffective 229
17 Inflation is caused by an expanding money supply 232
18 There is a representative worker 236
19 The current level of unemployment is ethically acceptable 239
20 There is a representative capital good 241
21 Product markets are perfectly competitive, or at least contestable 243
22 Neoclassical economics need not be theological 246

5 The Economic Principles of Joan Robinson 258
Lawrence R. Klein

6 Theoretic Models: Mathematical Form and Economic Content 264
Gerard Debreu

7 An Essay in Synergetic Economics 278
Richard M. Goodwin

PART II: EQUILIBRIUM AND TIME

8 Ideology and Time: Criticisms of General Equilibrium 285
Harvey Gram
1 Introduction 285
2 The pure theory of exchange 287
3 Getting into equilibrium 289
4 Historical time 291
5 Robinson v. Samuelson? 295
6 Conclusion 297

9 Joan Robinson and 'Getting into Equilibrium', in Short and Long Periods 303
Vivian Walsh
1 'Getting into equilibrium' and the short period 303

2 'Getting into equilibrium' and the long period 305

10 Stability Analysis in Micro and Macro Theory: An Interview **311**
Franklin M. Fisher

11 On Long-run Equilibrium in Class Society **323**
Edward Nell
1 The question of the rate of profit 324
2 The 'Method of Growth Economics' 326
3 The uniform growth rate 326
4 The rate of profit and the rate of growth 327
5 A claim of the critics 328
6 Capitalism and social classes 329
7 A simple model of growth equilibrium 330
8 Class wealth and the salary/wage differential 332
9 Growth equilibrium v. Class behavior 332
10 Different propensities to save out of wages and profits 333
11 Many social classes 334
12 More on human capital 336
13 Corporate retained earnings 336
14 Accumulation, relative shares and class sizes 338
15 Methods of economic analysis 340

12 Some Notes on Capital, Expectations and the Analysis of Changes **344**
Pierangelo Garegnani
A premise 344
1 Capital, expectations and the analysis of changes: A reply 347
Appendix I: Comments on Garegnani's paper by Joan Robinson 360
Appendix II: Rejoinder by Joan Robinson 361

13 On Sraffa's Contribution to Economic Theory **368**
Pierangelo Garegnani

PART III: CAPITAL, GROWTH, DISTRIBUTION

14 Accumulation and Capital Theory **377**
Edward Nell
1 The Keynesian problematic 379
2 The neoclassical response 380
3 Optimality and the golden rule 381
4 Technical progress 381
5 Capital theory 382
6 Conceptualizing production 384
7 Neo-Keynesian theory 385
8 Investment and the accelerator 386

9 Capacity constraints? 387
10 Capital value and profit 387
11 The significance of steady growth 388
12 Accumulation and technical change 390
13 Steady growth v. transformational growth 391
Appendix 392

15 Trotting Platinum Ages **413**
Gautam Mathur
1 Robinsonian golden age 413
2 The Sraffa and the von Neumann models 414
3 The Sraffa–von Neumann model 416
4 The platinum age 418
5 Galloping and creeping platinum ages 419
6 Trotting platinum age 421
7 Development differentiated from growth 422
8 Development with social justice 425
9 The role of lower-order machinery 427
10 The progression of development 431
11 Conclusion 434

16 Optimality and Decentralization in Infinite Horizon Economies **436**
Robert A. Becker and Mukul Majumdar
1 Introduction 436
2 Issues 438
3 Efficiency and optimality 458
4 One-sector models: decentralization 478
5 Concluding comments 498

17 Capital Theory Paradoxes: Anything Goes **505**
Andreu Mas-Colell
1 Introduction 505
2 The golden rule theorem 508
3 A converse to the golden rule theorem 511
4 Proof of the proposition 514

18 Steady States and Determinacy of Equilibria in Economies With Infinitely Lived Agents **521**
Timothy J. Kehoe, David K. Levine and Paul M. Romer
1 Introduction 521
2 An example 524
3 Homogeneous extension of concave functions 529
4 Formal equilibrium model 531
5 Social return and savings functions 535
Appendix 542

19 Dynamic Optimization under Uncertainty: Non-convex Feasible Set **545**
Mukul Majumdar, Tapan Mitra and Yaw Nyarko
1 Introduction 545
2 The model 548
3 Monotonicity of optimal investment policy function 552
4 Interior optimal processes and the stochastic Ramsey–Euler condition 554
5 Some properties of the value function and uniqueness of optimal processes 555
6 Dynamic behavior of an optimal input process 556
7 Some additional results 561
8 Proofs 566

20 Stochastic Capital Theory **591**
William A. Brock, Michael Rothschild and Joseph E. Stiglitz
1 Introduction 591
2 Discrete time-stochastic processes 594
3 One-dimensional diffusion processes 599
4 General diffusion processes 618

21 Demand Composition, Income Distribution, and Growth **623**
Lance Taylor
1 The short run 624
2 Dynamics in the short run 629
3 The steady state 632
4 Summary 635

22 Three Fundamental Productivity Concepts: Principles and Measurement **638**
William J. Baumol and Edward N. Wolff
1 Three productivity growth concepts 638
2 On productive capacity measures 639
3 Imperfect association of productive capacity and welfare 640
4 On welfare productivity and its measurement 642
5 Crude productivity and the services 644
6 Some empirical comparisons 647
7 Measurement of growth in productive capacity 649
8 Empirical results 655
9 Conclusion 657

23 Technical Progress, Research and Development **660**
Thomas K. Rymes
1 Introduction 660
2 The Robinsonian theory of accumulation and technical progress 661

3 Measures of technical progress and the economic accounting system 665
4 Capital accumulation, captilized expenditures and recorded technical progress 668
5 Conclusion 674

24 The Wage-share and the Rate of Exchange of Labor Time **677**
Robert Dixon
1 A model of labor's share 678
2 An alternative expression for the wage-share 680
3 The rate of exchange of labor time 681
4 The rate of exchange of labor time further considered 682

PART IV: DEVELOPMENT AND TRADE

25 The Theory of International Trade, Steady-state Analysis and Economics of Development **687**
T. N. Srinivasan
1 Introduction 687
2 Problems with steady-state analysis 688
3 North-South models 693
4 Imperfect competition, increasing returns, international trade and development 695
Appendix 698

26 Joan Robinson as a Development Economist **702**
Irma Adelman and David Sunding
1 Development economics in the 1950s and 1960s 702
2 Joan Robinson's development economics 704
3 Growth and accumulation 705
4 Joan Robinson and socialism 708
5 Joan Robinson and the mainstream in the 1970s 710
6 Development strategy 711
7 Joan Robinson and China 713
8 Joan Robinson and the stylized facts of economic development 715
9 Postscript 719

27 Disguised Unemployment and Underemployment **723**
Paul Streeten

28 International Economics in Embryo **727**
Martin Bronfenbrenner
1 Back to normalcy 731

2 Economic adjustment process 732
3 Stability for its own sake 733
4 Processing economies 734
5 High employment 'at whatever cost' 734
6 Racism? 735

29 The Classical Transfer Problem and the Theory of Foreign Exchanges 739
John S. Chipman
1 Introduction 739
2 The basic classical model 745
3 A model of flexible exchange rates 749
4 A model of pegged adjustable exchange rates 755

30 A Neglected Corner: Labor Unions and the Pattern of International Trade 774
Murray C. Kemp and Koji Shimomura
1 Introduction 774
2 General ideas 775
3 Union-distorted excess-demand functions 776
4 Union-ridden world equilibrium 783
5 Final remarks 787
Appendix to section 4 787

31 Economic Growth Without Accumulation or Technical Change: Agriculture Before Mechanization 791
Gregory Clark
1 Introduction 791
2 Work intensity in British agriculture, 1300-1860 793
3 Productivity growth and technical change, 1661-1841 803
4 The determinants of labor intensity 806
5 Implications 808
Technical appendix 808

PART V: ECONOMICS AND PHILOSOPHY

32 On Justifying the Ways of Mammon to Man 821
Daniel M. Hausman
1 The paradox of Robinson's logical positivism 822
2 On the influence of ideology 824
3 On the irremediable immorality of economics 828

33 An Axiomatic Approach to Marxian Political Philosophy 833
John E. Roemer
1 Exploitation theory 833

2 Why exploitation theory doesn't work 835
3 Public ownership of the external world 838
4 How should Able and Infirm split the product of their labor? 841
5 Proof of theorem 846
6 Conclusion 848

PART VI: *VETERIS VESTIGIA FLAMMAE*

34 A Personal Note on Joan Robinson **853**
Kenneth E. Boulding

35 Joan Robinson: Utter Fearlessness **861**
Paul Streeten

36 Images of Joan **863**
I. G. Patel

37 My First Encounter With Joan Robinson **866**
Tibor Scitovsky

38 Reminiscences of Joan Robinson **868**
John S. Chipman

39 Recollections of Joan **870**
Paolo Sylos Labini

40 Joan Robinson: An Informal Memoir **874**
Duncan K. Foley

41 Memories of Joan Robinson **877**
Harvey Gram

42 A View of Joan Robinson's Last Decade **881**
Vivian Walsh

43 Joan Robinson: A Memoir **892**
Edward Nell

44 Robinson–Hahn Love–Hate Relationship: An Interview **895**
Frank Hahn

45 Joan Robinson and Cambridge – A Theorist and Her Milieu: An Interview **911**
R. C. O. Matthews

46 Joan Robinson – Passionate Seeker After Truth **916**
Richard M. Goodwin

47 Remembering Joan Robinson **918**
Lorie Tarshis

Index 921