

Sraffa's System in Relation to Some Main Currents in Unorthodox Economics

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If one asks the question – how is the theoretical system in Sraffa's *Production of Commodities by Means of Commodities* related to the scope and content of economics as a whole? – the answer, on one level, seems clear half a century forward. The book reconstructs with a new coherence at least a foundational element of classical economics; and that same system of theory entails a critique of the marginalist approach to the theory of functional income distribution, and consequently also of the supply-and-demand approach to commodity prices and quantities.

While there appear to be no intractable problems in grasping the relationship of Sraffa's book to orthodoxy, what of its relationship with other streams of unorthodox economics? The two most salient such streams of thought are Marxist economics and Post-Keynesian economics. The significance of Sraffa's book for the former was very considerably debated in the decades immediately following its publication. The focus here is therefore upon Post-Keynesian economics; but also, in one fundamental respect pertaining to the theory of functional income distribution, the relation between Sraffa's system and Marxism will also be considered. Hence, the purpose of the paper is to consider the relation between the approach to certain elements of economic theory entailed or implied by Sraffa's book and that of the Post-Keynesian current in unorthodox economics in particular. The three sections of the paper successively consider price theory, income distribution, and activity levels and growth.