

**ESSAYS IN THE THEORY
OF ECONOMIC GROWTH**

By the same author

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THE ACCUMULATION OF CAPITAL
COLLECTED ECONOMIC PAPERS (4 vols.)
ECONOMIC HERESIES
ECONOMICS: AN AWKWARD CORNER
THE ECONOMICS OF IMPERFECT COMPETITION
AN ESSAY ON MARXIAN ECONOMICS
EXERCISES IN ECONOMIC ANALYSIS
FREEDOM AND NECESSITY
THE GENERALISATION OF THE GENERAL THEORY
AND OTHER ESSAYS
INTRODUCTION TO THE THEORY OF EMPLOYMENT
QUESTIONS IN ECONOMIC THEORY

ESSAYS IN THE
THEORY OF ECONOMIC
GROWTH

JOAN ROBINSON

**Time is a device to prevent everything
from happening at once.**

BERGSON

PALGRAVE MACMILLAN

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PREFACE

THE essays in this volume might be regarded as an introduction rather than as a supplement to my *Accumulation of Capital*. That book was found excessively difficult. The main fault, I think, lay in too terse an exposition of the main ideas, particularly in Chapter 8, and a failure to mark sufficiently sharply the departure from the confused but weighty corpus of traditional teaching that we are required to make when we adopt a Keynesian approach to long-period problems. I offer the present volume with apologies to readers whose heads ached over the earlier one.

In my experience a great deal of misunderstanding and argument at cross-purposes is caused by conflating notions derived from the Walrasian system of supply-and-demand prices with those derived from the Marshallian (or Marxian) conception of normal profits. The first essay endeavours to disentangle them.

The second, with its appendix, outlines a generalisation of the *General Theory* which I hope will be more perspicuous than my former attempts.

The most percipient of the critics of my *Accumulation* reproached me for a selective lowering of the degree of abstraction. Certainly it is not legitimate to set up a highly abstract model and then draw from it conclusions applicable to actual problems. In that book I dropped out here and there hints as to whither, in my own opinion, the analysis might be found to lead. This time I have refrained even from hints. My main concern is to get economic analysis off the mud of static equilibrium theory. Once it is afloat enticing voyages beckon in many directions.

The Model of Technical Progress makes the argument even more formalistic than the earlier version, but in doing so, I hope, clears up some points.

The Neo-neoclassical Theorem distils the essence of the analysis of the technical frontier which I made very heavy weather over at the first attempt.

Essays in the Theory of Economic Growth

Of outright errors in the *Accumulation* I have found two. The first was pointed out by Mr. Little and corrected in the reprint of the book. It concerned the point about Mr. Harrod's formula, now, I hope, correctly stated in the footnote on page 12. The second concerns the idea that when non-employment emerges as a result of growth in the labour force ahead of the demand for labour provided by the stock of capital equipment in existence, a fall in money wages may increase the rate of accumulation. The assumption is that (with unchanged profit expectations) gross investment has inertia in money terms so that a fall in the money wage rate increases net investment in real terms. This seems plausible enough, but it was wrong to conclude that the rate of accumulation could be stepped up by this means. After a once-for-all fall of money costs, amortisation quotas in money terms are adjusted and the inertia of gross investment would thereafter apply at the new, lower, level. On both these points I fell into error through failure to see the implications of my own basic ideas. The corrections make my analysis more so, not less so.

I am indebted to the editors of the *Quarterly Journal of Economics*, *Rivista di Politica Economica* and the *Review of Economic Studies*, for permission to reprint, respectively, the first, the third and part of the last of the following essays.

JOAN ROBINSON

CAMBRIDGE, *March* 1962

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