

Viability, Reproducibility and Returns in Production Price Systems

by

Enrico Bellino

Università Cattolica del Sacro Cuore, Piacenza, Italy

enrico.bellino@unicatt.it

Abstract. Production prices have often been conceived as those exchange rates among commodities which allow their reproduction in the same quantities (or along a proportional growth path). A deeper investigation of Sraffa's price equations reveals that this characterization is not well grounded. The notion of 'viability' of a system is thus re-defined here in such a way as to allow the determination of production prices for economies that are not in a self-replacing state (i.e. displaying positive net products in some industries and negative net products in others). Viability is here connected to the possibility for each industry to reintegrate the *value* of the means of production and to obtain a uniform non-negative rate of profit. It appears, thus, as a notion that mainly impacts the value side. This specification is relevant for an approach where the quantities are determined separately from the relations between value and income distribution. The focus on non-self-replacing systems opens the question on how to handle this and all cases of systematic changes in output levels without losing the property of persistence of production prices, which permits them to be regarded as centres of gravitation. This issue is explicitly linked to possible specific assumptions that can be made on returns. The various views on this point are discussed here in relation to the main features of the modern classical approach.

The paper can be **downloaded** at the following addresses:

<https://link.springer.com/article/10.1007/s40888-017-0082-2>

<https://link.springer.com/content/pdf/10.1007%2Fs40888-017-0082-2.pdf>

orcid.org/0000-0003-2021-5423

DOI: 10.1007/s40888-017-0082-2

Contact information:

Enrico Bellino
Università Cattolica del Sacro Cuore
Via Emilia Parmense, 84
29122 – Piacenza
(Italy)

phone: +39 0523 599 305 (or +39 0523 599 342)

fax: +39 02 9366 2415 (or +39 0523 599 437)

e-mail: enrico.bellino@unicatt.it

web page: http://docenti.unicatt.it/ita/Enrico_Bellino