Annex – Joan Robinson's interpretation of orthodoxy/Marshallian and Marxian economics[1]

	Supply price of capital (Orthodox economic theory)	**Subdivision of surplus (Marx's economic theory)**
Say's Law	Holds	Does not hold
Production conditions (Supply of labor and natural resources)	Taken as given – and full employment of the available labor is achieved in equilibrium whatever the stock of capital	Not taken as given – stock of capital in existence determines the amount of labor employed.
Production conditions (Knowledge of technical methods of production)	Taken as given – change in technical knowledge is an arbitrary shift in the position of equilibrium	Not taken as given – and there is a reaction of changes in the supplies of factors on technical knowledge itself (technological unemployment – the army of labor – is one of the central mechanisms regulating the relative earning of the factor of production)
Principle of substitution (producers substitute on factor for another given changes in their relative prices)	Key – different combination of factors (even when knowledge is assumed constant) so a given output is always produced at a minimum cost	Neglected – with technical knowledge, there is only one combination of capital with labor in each industry
Relative factors prices	Settle, in equilibrium, at the level at which all are fully employed	Not important
Consumer's demand	Taken as given – but consumers substitute one commodity for another (maximum satisfaction is obtained from a given outlay)	Not take as given – but there is not attention to substitution by consumers
Value	Utility	Labor
Surplus value	–	Ever-increasing difference between total output and total wages (unpaid labor) divided into profit, interest and rent
Wage rates	Disutility of work	Reserve army of labor and organic composition of capital (*k)* (i.e., technical changes)
Stock of capital	Change and is conceived to be used in the most efficient manner	Change and is conceived to be used to capacity, as in a given state of technique, there is only one amount of labor that a given amount of capital will employ
Supply price of capital	Rate of interest (reward of waiting) plus excess of profit over interest (reward of risk-bearing)	None. As long as any profit is obtainable, capitalists want to preserve wealth and accumulate (the desire to own capital does not need to be explained)
Marginal productivity of capital (Addition to output caused by making a small unit addition to capital)	Key – and it falls as capital increases relatively to other factors of production	There is a relationship between wage rates and productivity of labor, but it is related to the effects technical changes have on the ratio of constant to variable capital (*k)*
Profit	Profit is a necessary return to risk	Profit is part of the social product obtained above the value of wages due to unpaid labor (part of the surplus value)
Rate of profit	Equal to the supply price of capital of an existing stock of capital (when this stock is in equilibrium)	Defined as the ratio of surplus value to constant and variable capital (that is, to the value of capital), $r=s/c+v$ – and it is not an equilibrium rate
Rate of profit mechanism	Governed by stock of capital's marginal productivity – thus, it falls as the stock of capital increases (it depends upon the relative scarcity of capital)	Governed by technical changes and rate of exploitation – but increase in k should not lead the rate of profit to fall
Distribution	Determined in the market by utility/price	Net product is distributed as wages to workers and surplus value to capitalists and distribution is governed by the rate of exploitation and technology
Rate of Exploitation	–	Key – and defined as the ratio of surplus value to variable capital, $e=s/v$
System process	The stock of capital adjust itself establishing an equilibrium with the given conditions	The stock of capital changes either way and there is no long-run equilibrium
Equilibrium	Comparative Statics/short-run	Dynamics/long-run

[1] For Robinson, on one side, orthodox academics economists developed a "highly artificial method of analysis" to build a theory based on the notion of the supply price of capital. On the other side, Marx's theory was "too simple" (Robinson, 1966 [1942], pp. 52 and 55).