Radical Economics

General Editor: SAM AARONOVITCH

Debates between economists are not just technical arguments amongst practitioners but often reflect philosophical and ideological positions which are not always made explicit.

Discontent grew with the prevailing economic orthodoxy as the long period of economic expansion in the advanced capitalist economies came to an end in the 1970s; disenchantment was expressed in open discussion about the 'crisis' in economics and in the rise of various kinds of radical economic theory, often using the general title of 'political economy'.

Many economists have looked for a more fruitful point of departure in the ideas of Marx and the classical economists and also in such contemporary economists as Kalecki and Sraffa. Although it is possible to identify a broad radical stream, it does not mean that there are no significant controversies within this radical approach and, indeed, it would be unhealthy if this were not the case.

Can radical economic theory interpret the world better than the current orthodoxy which it challenges? And can it show also how to change it? This is a challenge which this series proposes to take up, adding to work already being done.

Each book will be a useful contribution to its particular field and should become a text around which the study of economics takes place.

Radical Economics

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The Production of Commodities

An Introduction to Sraffa

J. E. WOODS

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To Anne, Patrick Daniel and Andrew

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Preface

It became evident to me over a number of years that the general level of awareness of Sraffa's work among economists was lamentable. There was, I perceived, a clear need for a book which explained in the simplest terms possible the line of argument in Sraffa's *Production of Commodities by Means of Commodities*, chapter by chapter, even section by section.

In the Preface to his book, Sraffa wrote:

It is, however, a peculiar feature of the set of propositions now published that, although they do not enter into any discussion of the marginal theory of value and distribution, they have nevertheless been designed to serve as a basis for a critique of that theory. If the foundation holds, the critique may be attempted later, either by the writer or someone younger and better equipped for the task. (p. vi)

My purpose is not to attempt the critique: It is to disseminate knowledge of the basis laid by Sraffa.

J. E. Woods

Acknowledgements

I began work on this book in spring 1986 while visiting the Department of Economics, Queen Mary College, University of London. Let me, first of all, thank the Department, especially Richard Allard, for the generous provision of facilities.

The first draft of Chapters 2–11, written between April and June that year, was read by Professor Christian Bidard of the University of Paris. To leave it at that would be a gross misrepresentation because, in an intensely stimulating correspondence (for me at least), he provided me with detailed comments. I consider myself extremely fortunate that Christian was willing to devote so much of his time to my efforts. I would also like to thank Dr Antonio D'Agata, of the Universities of Catania and Manchester, for his constructive criticisms of successive drafts of Chapter 10, Dr Morgan Kelly of Yale University for comments on Chapters 1–11, Professor Neri Salvadori, of the Universities of Catania and Denver, for comments on the third draft of Chapter 10 and Mr Sam Aaronovitch, the series editor, for his advice. The usual disclaimer applies: I alone am responsible for any errors in this book.

It will be clear to the reader that I have accumulated substantial intellectual debts. Acknowledgement here is, I recognise, an unsatisfactory means of repayment. Nevertheless, let me record the names of those whose work has influenced me the most. Apart from Piero Sraffa, who occupies pride of place, I mention Professors Pasinetti, Garegnani, Champernowne, Steedman, Bidard and Salvadori.

I am grateful to Professor Garegnani, Piero Sraffa's literary executor, for permission to quote at length from *Production of Commodities by Means of Commodities* and the 1926, 1930 and 1962 *Economic Journal* articles, and to the editors of the *Scottish Journal of Political Economy* for permission to use in section 6.4

material from my article (Woods, 1988). I also wish to thank the Master and Fellows of Trinity College, Cambridge, for allowing me to use an engraving of the Wren Library as a cover illustration: Dr. T. Hobbs of the College Library kindly advised on selection.

I am pleased to acknowledge the work of the Macmillan editorial and production staff: given the complexity of the manuscript, particular mention should be made of the copy-editors and typesetters. I would also like to thank the commissioning editor, Stephen Rutt, for his advice and efforts on my behalf.

Though the final revisions were made after joining Bacon & Woodrow, readers should note that I write in a personal capacity, not as a corporate representative.

Let me end on a personal note. I would not have been able to write this book without the support and encouragement of my wife, Anne. It gives me great pleasure to dedicate it to her and our two children, Patrick Daniel and Andrew.

J. E. Woods