

Title: The Reproduction Schema as an Unbalanced Growth Model

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Abstract

The two dominant interpretations of the reproduction schema developed in *Capital*, Vol. II differ over whether the schema show balanced growth under capitalism to be possible or impossible in practice. These interpretations are alike, however, in that both regard the reproduction schema themselves as balanced growth models. The present paper suggests, to the contrary, that the schema depict a process of unbalanced growth.

When regarded as two *distinct* models, the schema of simple and expanded reproduction seem to depict balanced growth. In both cases, Departments I and II grow at the same (zero or positive) rate. Yet the schema also demonstrate that growth — i.e., the *transition* from simple to expanded reproduction — requires that Department I grow faster than Department II. More generally, given the schemes' assumption of technological stasis, a long-run increase in the economy's growth rate always requires that Department I grow faster than Department II.

Under this interpretation, the reproduction schema emerge as the first analysis of what Rostow and later development theorists have termed the “take-off” process. Marx's analysis also emerges as a remarkably accurate one, since, in country after country, the take-off has occurred through the expansion of means of production at the expense of consumption.

In addition to developing these points analytically, the paper will defend the unbalanced growth interpretation textually. I will show that Marx sought to explain how the transition from simple to expanded reproduction can occur, and that he identified the expansion of Department I relative to Department II as the key to this process. I will also argue that the present interpretation eliminates an apparent incompatibility between the reproduction schema, which have heretofore been viewed as equilibrium models, and the bulk of *Capital*, which is concerned with economic crisis, uneven development, and other nonequilibrium processes. In particular, the present interpretation renders the reproduction schema compatible with and complementary to Marx's view of capitalism as a system of production for the sake of production rather than consumption, and a system in which dead labor dominates living labor.

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