

Labour Values as Employment Multipliers

by

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Abstract

It has been common practice in Marxian economics to interpret labour values as employment multipliers. Using input-output tables, the labour value of a commodity can be measured as the direct and indirect labour required to produce a unit of output. The bulk of empirical research has focused on sectoral labour values, with particular attention on the relation between prices and values. The purpose of this paper, however, is to look at employment multipliers in their more Keynesian guise as vehicles for modelling the relationship between investment and output. Following Trigg (2006), a term representing surplus value makes up the denominator of the Keynesian multiplier. Using a suite of input-output tables, from different countries, the objective is to examine structural changes in employment multipliers from a Marxian perspective. A decomposition of the input-output structure will explore how Marxian categories impact on questions of demand.

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