

# Contents

<b>1</b>	<b>Introduction – The argument in a nutshell .....</b>	<b>11</b>
<b>PART I – Historical heritage: Bipolarity .....</b>		<b>21</b>
<b>2</b>	<b>Searching for truth: Two founders of economics science .....</b>	<b>23</b>
2.1	Wassilijs Leontief: The art of accounting .....	23
2.2	Léon Walras: The art of modelling .....	34
2.3	National product: A fact .....	41
<b>3</b>	<b>Historical experiment: Two systems of accounting .....</b>	<b>47</b>
3.1	The System of National Accounts (SNA) .....	48
3.2	Socialism: The Material Product System (MPS) .....	56
3.3	Synthesis: Input-output tables of industrial activity .....	64
<b>4</b>	<b>Scientific controversy: Two capital theories .....</b>	<b>71</b>
4.1	Anti-thesis: The production function .....	71
4.2	The Cambridge critique .....	81
4.3	Empirical assessment of the dispute .....	85
<b>PART II – Current issues: Consistency .....</b>		<b>97</b>
<b>5</b>	<b>Theory of national accounts and economic value .....</b>	<b>99</b>
5.1	Business accounts and their transactions .....	101
5.2	The economic unit and its product .....	108
5.3	Theory of value .....	116
5.4	Applying the theory .....	125
<b>6</b>	<b>Movement over time: Consistency in aggregation .....</b>	<b>135</b>
6.1	From Laspeyres 1871 to the SNA2008: Brief recapitulation of a long road of research .....	136
6.2	Macroeconomic foundation of price and volume decomposition .....	145
6.3	Economic growth in France and Germany .....	156

<b>7 Comparison between nations: Unit of measurement .....</b>	<b>161</b>
7.1 Index number history .....	162
7.2 Purchasing power parities .....	168
7.3 Prices, exchange rates and balance of trade .....	178
 <b>PART III – Future tasks: Inequality .....</b>	 <b>187</b>
<b>8 Inequality in the distribution of income .....</b>	<b>189</b>
8.1 Income and classes: The classical theory .....	189
8.2 The social accounting matrix .....	200
8.3 Division of labour and division of wealth .....	212
<b>9 Inequality in international production and trade .....</b>	<b>221</b>
9.1 The Leontief world model .....	221
9.2 Value-added chains .....	229
9.3 Real values and terms of trade .....	242
 <b>10 Epilogue – Meaning and Measurement .....</b>	 <b>253</b>
 <b>Bibliography .....</b>	 <b>265</b>