

Competition and Technical Change in Aghion & Howitt and Marx: a Common Vision

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The aim of this paper is to give a further contribution to the literature investigating the existence of analogies between the Classical Theory and the New Growth Theory. This paper tackles with competition and technical progress in the work of Marx and in the Aghion and Howitt's model of 1992, and some of its extensions proposed by the two authors in 1998. The comparison does not rest in the existence of analogies in the methods of analysis which reflect two different visions of the world, but on the identification of some fundamental assumptions which characterise Aghion and Howitt's model and which are to be found at the very basis of Marx's idea of competition and technical progress.

I propose to read Aghion and Howitt's models under the following perspective: to underline their characterising assumptions on technological change-driven growth which are close to the elements which are at the very heart of Marx's view of competition and technical change. In both analyses technical progress is endogenous, resulting from what people intentionally do in order to gain some momentary extra-profits. The role of the capitalist-entrepreneur, the systemic accumulation of knowledge, the scale of production and the interdependence among industries are crucial issue in both analyses.

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