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Labor Theory of Value Based on Marginalist Principle

To defend Fundamental Marxian Theorem, we need the specialty of labor different from other factor of production, and for this purpose, we first show that value is determined as a subjective optimization problem using a mathematical model. In this model, we also show the importance of productivity, some parameters of the production function and the scarcity of time. However, because this production function assumes decreasing return to labor, it causes a problem that is not fit for labor theory of value. Therefore, secondly, this paper shows constant return to labor can be realized in the case where means of labor has become crucial after the industrial revolution. In this case, input labor becomes proportional to 'value'. It should be called 'LTV(Labor Theory of Value) situation.'