Japan Journal of Research

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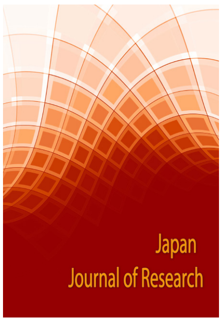

Finding A Simple Relationship Between Rate of Profit and Organic Composition of Capital

Mario De Marchi

Retiree, Istituto di Ricerca sulla Crescita Economica Sostenibile del Consiglio Nazionale delle Ricerche (IRCrES-CNR), via dei Taurini 19 -00185 Roma, Italy

Correspondence
Mario De Marchi
Email: mario.demarchi@ircres.cnr.it

- Received Date: 26 Aug 2026
- Accepted Date: 01 Sep 2026
- Publication Date: 02 Sep 2026

The surplus equation outlined in M. De Marchi, "Rejecting The Marxian Conjecture Of A Falling Rate Of Profit, [1] entails the correct solution to the problem of finding out a clear relationship between one organic composition of capital and the rate of profit.

Such solution holds within Sraffa's Standard System, i.e., it does not concern the social surplus equation devised by Marx.

What is more, the conclusion is reached NOT by assuming that the law of labor value was valid, insofar the entire net income accrued to wages.

On the contrary, the analytical device employed consists in assuming that wages are zero are NULL and, therefore, the rate of profit is MAXIMUM. This is just the assumption Sraffa uses to solve the problem of finding out Ricardo's median commodity.

It appears then, that the development of Classical Economy was thwarted for centuries by the unlucky circumstance that its scholars undertook a useless, wrong theoretical choice, until Sraffa corrected the mistake in the 1960s.

References

1. De Marchi M. Rejecting The Marxian Conjecture of a Falling Rate of Profit Japan J Res. 2023;4(4):1-2.

Citation: De Marchi M. Finding A Simple Relationship Between Rate of Profit and Organic Composition of Capital. Japan J Res. 2026;7(6):197.