

# Thomas Robert Malthus

## Critical Assessments

*Edited by*

*John Cunningham Wood*

# **Thomas Robert Malthus**

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**Volume III**



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# Contents

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## VOLUME III

### SECTION THREE: MALTHUSIAN ECONOMIC ANALYSIS

Commentary	1
47. McCulloch's Relation to the Neo-Malthusian Propaganda of His Time: An Episode in the History of English Neo-Malthusianism <i>N.E. Himes</i>	13
48. The Classicists' Use of "Demand" <i>V.E. Smith</i>	24
49. Limitational Theories in Population Theory: A Note <i>J.J. Spengler</i>	44
50. The Malthusian Model as a General System <i>K.E. Boulding</i>	57
51. Malthus's Theory of Demand and its Influence on Value Theory <i>V.E. Smith</i>	68
52. Malthus on Money Wages and Welfare <i>W.D. Grampp</i>	83
53. Malthus and the Underdeveloped Areas <i>E.F. Penrose</i>	95
54. The Malthusian Model of Income Determination and its Contemporary Relevance <i>H.G. Vatter</i>	115
55. An Analysis of Malthus' Population Theory <i>R. Minami</i>	121
56. The General Glut Controversy Reconsidered <i>T. Sowell</i>	131
57. Was Malthus Right? <i>J.J. Spengler</i>	142
58. Malthus on the General Glut: A Reinterpretation <i>A. Das</i>	164
59. The Stationary State of Ricardo and Malthus: Neither Pessimistic nor Prophetic <i>F.R. Kolb</i>	174
60. The Stationary State of Ricardo and Malthus: Comment <i>M.A. Akhtar</i>	191
61. The Stationary State of Ricardo and Malthus: Reply <i>F.R. Kolb</i>	194
62. The Economic Development of Malthusia <i>A. Robinson</i>	196
63. Malthus on Sticky Wages, the Upper Turning Point and General Glut <i>L.A. Dow</i>	208
64. Malthus' Model of General Gluts <i>S. Rashid</i>	224

vi *Contents*

65.	Malthusian Economics of Growth and Development: A Critique <i>G.P. Mishra</i>	239
66.	The Gospel of Saving According to Reverend Malthus <i>K.K. Upadhyaya</i>	252
67.	Malthus's Theory of Gluts: A Political-Economic View <i>R. Khosla</i>	254
68.	Relevance of Malthus to Developing Economy <i>P.K. Sinha</i>	271
69.	Some Normative Aspects of the Malthusian Controversy <i>D. Levy</i>	279
70.	Relevance of Malthusian Economics <i>A.K. Dasgupta</i>	292
71.	Relevance of Malthusian Economics <i>D. Jha</i>	298
72.	Relevance of Malthusian Economics <i>S.C. Joseph</i>	303
73.	Malthus's Theory of Effective Demand and Growth <i>W.A. Eltis</i>	325
74.	Natural Prices, Market Prices and Effective Demand in Malthus <i>L. Costabile</i>	362
75.	The Wage Path in Classical Growth Models: Ricardo, Malthus and Mill <i>S. Hollander</i>	392

## Commentary

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In 'McCulloch's Relation to the Neo-Malthusian Propaganda of his Time: An Episode in the History of English Neo-Malthusianism', N.E. Himes presents McCulloch's views on the doctrine of Malthusianism. Attention is focused on the complex of forces and circumstances which induced McCulloch to state plainly and publicly whether he suggested 'moral restraint' or Neo-Malthusian practices as the better mode of adjusting the supply of labour to the demand for it. Moreover, the article reveals the position taken by the editors of the two influential working-class newspapers of the period: the *Manchester Gazette* and the *Trades Newspaper*. To Himes, McCulloch stresses the desirability of a high level of real wages as being, in the long run, to the advantage of all classes in the community. Moreover, the purpose of the circulation of the Notes was to prepare the minds of the working people for the reception of practical Neo-Malthusian propaganda.

V.E. Smith's 'The Classicists' Use of "Demand" ' provides an exhaustive survey of the dominant classical thoughts of Adam Smith, J.B. Say, David Ricardo, John Stuart Mill, as well as Malthus, Longfield, Macleod and Senior. His discussion of Malthus is particularly interesting and, taken in the context of the classical viewpoint, makes for an extremely interesting survey.

He points out that it was Malthus among the classical economists who deliberately chose to measure demand by the demand price rather than by the quantity demanded. He points out that his first contribution to demand analysis was an approximation to a modern demand schedule and that this appeared in his second published work, *An Investigation of the Cause of the Present High Price of Provisions*. He notes that Malthus resorted to the intensity of demand and he argues that this owed its validity not so much to any analytical superiority of intensity, as such, over the quantity-demanded concept as to the fact that his intensity was an *ex ante* concept, in contrast with Ricardo's (and his) *ex post* wage of 'extent'. He points out that Malthus was not particularly interested in the subjective aspects of demand; Smith considers that this was due to the fact that his propositions regarding the intensity of demand increasing as

## 2 Malthusian Economic Analysis

the quantity decreased were never explicitly applied to the individual. Smith argues that one obtains the impression that Malthus thought of the individual as buying either his usual amount or none at all.

At the commencement of his article 'Limitational Factors in Population Theories: A Note', J.J. Spengler points out that in recent times a number of studies have supposedly laid to rest the ghost of Malthus. In particular, he notes that M.K. Bennett's *The World's Food* is described as a 'dissection of the ghost of Malthus, and of living revivalists of the Malthusian doctrine'. Spengler is concerned with the validity of such interpretations. He notes that the argument of the 'dissectors' appeared to run as follows:

- (1) Should the food supply become sufficiently elastic in response to inputs of labour and associated agents of production themselves in elastic supply, Malthus's principal line of argument would be deprived virtually of all such empirical validity as it once may have possessed.
- (2) From (1) it tends to be inferred that, supposing the food supply to be thus highly elastic, man need no longer be apprehensive lest continuing population growth affect his 'welfare' adversely.

Spengler's counter-argument is based on the following:

- (a) On a narrow but somewhat questionable interpretation of Malthus's argument, implication (1) might be allowed.
- (b) But inference (2) is not allowable.

Spengler's argument is based on the acceptance of the postulate that food supply is highly elastic but he does not accept this postulate as a satisfactory empirical description of the state of the food supply in most parts of the world today.

Spengler notes that in some countries it may be true that food is no longer the operative population-limiting factor, but it does not follow that population-limiting factors will cease to be operative. He argues that the dynamics of culture, production and consumption serve to change the character of such forces but they do not remove them. He points out that if one factor ceases to be operative its place is necessarily taken by others. Moreover, population growth may not affect adversely man's food consumption or some other item of living supposedly in highly elastic supply; but rather it is quite likely, in many empirical situations, to make his consumption of some other items of living lower than it otherwise would have been.

In 'The Malthusian Model as a General System', K.E. Boulding contends that the population equilibrium model of Malthus is not only of importance historically in both economics and biology but its generalised form is applicable to almost any situation of population equilibrium or even dynamics. He claims that if the subsistence level is above the maximum possible standard of life the population will decline from any

position to zero, and there is no equilibrium. For a stable equilibrium, therefore, the standard of life curve must have a negative slope at the subsistence level.

Next, Boulding surveys three examples of the dynamic models: the 'Exponential' model, the Liebenstein model and the model in which the existence of a surplus produces a change in the subsistence level itself.

Finally, Boulding develops a generalised dynamic system because, as he claims, too great specification of the dynamic system is always misleading. To him, the difference between the generalised dynamic system and the special dynamic systems presented earlier is that in the general system constance of parameters is not assumed; there is no single stable difference or differential equation which characterises the whole system; exact prediction is impossible and nevertheless the system is not formless — something can be said about its assumptions and the consequences of these assumptions. Boulding stresses that population systems, of which the extended Malthusian system is one, are only useful in situations where the population concept is a useful abstraction — that is, where 'size' rather than any complex structure is the essential attribute of the system.

In 'Malthus's Theory of Demand and its Influence on Value Theory', V.E. Smith sets out Malthus's theory of demand in the context of value theory. Smith points out Malthus's emphasis on demand and insistence that the aggregate demand for consumers' goods may be diminished by excessive accumulation. Malthus could not agree that labour alone was the best measure of exchangeable value, and insisted that natural price as well as market price was determined by demand and supply.

Smith notes that to show how demand could be effective in the direction of economic activity, Malthus established his concept of the intensity of demand. This concept made demand and supply a useful explanation of prices and strengthened Malthus's case of regarding people's wants and tastes, expressed through the intensity of demand, as the active force in the determination of the level of business activity. Smith argues that presumably the same practical interests that led Malthus to emphasise demand kept him both from enquiring into the problem of individual demand and from attempting to analyse what lay behind the intensity of demand.

Smith claims that continued efforts to support Malthus's position concerning gluts led to the measure-of-value controversy and thence to changes in Malthus's value theory which weakened his emphasis on demand. In order to defend his choice of a measure of value against Ricardo, Malthus accepted the proposition that a standard must be invariable, and redefined value as intrinsic value-in-exchange rather than the general power of purchasing.

Smith stresses that if the measure of value and of effective demand was the labour commanded, it followed directly that a reduction in the effective demand reduced the volume of employment.

W.D. Grampp, in 'Malthus on Money Wages and Welfare', examines Malthus's idea, that the working class is better off when the price of



#### 4 Malthusian Economic Analysis

necessities is high, than when it is low, and briefly presents the history of the wage theory. He notes that this idea led Malthus to support the tariff on grain. Grampp argues that by the Malthus definition, money wages are regulated by the price of corn (in the usage of the economists, the word 'corn' usually meant necessities, occasionally meant grain, and sometimes bread; Malthus used it to mean bread). However, they can be regulated by the price of corn and a substitute (or substitutes), which will make them equal to a constant quantity of two (or more) commodities.

E.F. Penrose, in 'Malthus and the Underdeveloped Areas' considers the problem of applying the Malthusian theory to the underdeveloped countries rather than to the Western world. In the paper the question of population pressure is conceived of as manifesting itself in two forms. First, as a continuous social process; and second as leading to a climax or series of climaxes. Then Penrose argues that when non-economic influences on the death-rate were predominant, population growth induced economic growth, and when economic influences predominated, economic growth induced population growth.

Furthermore, in the study of population changes, geography and economics were indissolubly bound together. In Penrose's view the usefulness of the Malthusian theory in the study of the underdeveloped areas was greatly diminished by Malthus's failure to perceive fully the role of migration and trade in his own time, and to foresee its much greater role in the future in determining the economic destiny of the peoples of any particular country.

'The Malthusian Model of Income Determination and Its Contemporary Relevance' by H.G. Vatter represents Malthus's views on the short-run expansion and contraction of income and employment, as discussed in the *Principles*. He also examines the model with a view to its possible relevance for the contemporary scene. To Vatter, Malthus himself allowed that public expenditures were a regular part of his unproductive expenditures. Vatter argues that all public expenditures are treated as collective consumption, and that the conversion of Malthus's category of unproductive spending into a contemporary category of government purchases is comparatively easy analytically.

In 'An Analysis of Malthus' Population Theory', R. Minami establishes and formulates Malthus's theory of means of the analytical tools of modern economics. He argues that Malthus treated population as an endogenous variable and developed the economic and demographic theory of development. In short, by detailed graphical and algebraic analysis, Minami makes a formula of Malthus's *An Essay on the Principle of Population* as the equilibrium theory of population.

At the commencement of his article 'The General Glut Controversy Reconsidered', Thomas Sowell points out that a pitfall in interpreting an economist of the past is the inevitable tendency to read back into him or her the concerns of latter-day economics, and perhaps even the theories of a particular modern economist. He notes how Malthus has frequently been taken as a forerunner of Keynes and the controversy he had with Ricardo on 'general gluts' has been regarded as an anticipation of modern

disputes in monetary and business cycle theories. He points out that Malthus had an elaborate theory of economic development, to which was appended a sketchy corollary on temporary unemployment that has since been greatly magnified in the light of the supposed affinity to Keynesianism. He argues that the whole development theory, in which demand plays such a crucial role, has been taken as business-cycle theory, despite Malthus's explicit and repeated statements that he was pursuing the question of the promotion of the wealth of nations. He stresses that Malthus and Ricardo's conceptions of supply and demand really were considered from different points of view. He argues, for example, that the simple proposition that supply created its own demand had very different meanings to each of them. Sowell argues that the doctrine that Malthus attacked was not the doctrine that Ricardo defended, though there was only a belated and incomplete recognition of this fact on both sides. Sowell concludes that Ricardo and Malthus each tended to interpret the other's words in his own sense, leading to more than one polemical comedy of errors.

This led to such differences as the fact that the utility problem, which had so occupied Malthus, did not arise in the Ricardian comparative statics model. Moreover, many of the Malthusian problems were by definition excluded from the Ricardian system. Whilst Ricardo could demonstrate repeatedly that various situations described by Malthus were impossible, Malthus argued that they were not only possible but actual, that is, disequilibrium as against equilibrium situations occurring in the real world. Sowell finally concludes that while the general glut controversy was not a forerunner of modern economic debates in terms of its substantive issues, it was in terms of its general pattern of mutual failure to come to grips with opposing arguments.

J.J. Spengler's 'Was Malthus Right?' is concerned with Malthus's proposition that the augmentability of the supply of product or income was limited and subject to diminution at the margin. He discusses Malthus's conception of the problem and the roles of limitational factors and checks. Spengler also reviews the present status of food-supply prospects, the primary limiting factor in Malthus's scheme. He argues that the Malthusian model of the determinants of fertility was incomplete. Moreover, Malthus had overestimated population elasticity in some circumstances — in part because he underestimated so markedly the prospective increase in aggregate output and the changes in the economic environment to which man must adjust. While some of his statistical analysis was defective because such analysis was not his primary interest, his basic arguments were not affected.

The purpose of Amritananda Das's paper 'Malthus on the General Glut: A Reinterpretation' is to reinterpret Malthus so as to clarify his essential vision and to draw out the relevance of that vision to the modern discussions on population, economic growth and savings. In the opinion of the author, the viewpoint — that the Say-Ricardo-Malthus controversy on general gluts can be seen as a preview of the Keynesian post-General Theory controversies — completely misinterprets Malthus's analytic

## 6 *Malthusian Economic Analysis*

contribution and obscures the relevance of that contribution to certain central questions of modern growth economics. Das notes that Malthus's main preoccupation was to counteract the unqualified glorification of thrift as a factor promoting growth that had been popularised by Adam Smith. Malthus did this by introducing an upper limit to the rate of capital accumulation. Then Das discusses such questions as why the general glut was regarded as the result of a failure of effective demand. Das also surveys whether the Malthusian golden age process is stable as well as comparing Say's and Ricardo's opinions on glut with Malthus's doctrines.

Finally, in searching for an answer to the question of the relevance of the Malthusian problem for modern economics, Das discusses the Harroddian model, the balanced growth systems and the fundamental dilemma of growth.

In 'The Stationary State of Ricardo and Malthus: Neither Pessimistic nor Prophetic' F.R. Kolb argues that the commonly-held view of Ricardian-Malthusian economics with an inevitable stationary state and eternal doom of the economic system, expressed in history of economic analysis textbooks, is incorrect. He suggests that Ricardo and Malthus used the concept of a stationary state as a theoretical model to identify the termination point of an abstract model. Contrary to the popular belief, Kolb argues that both Ricardo and Malthus did not regard the stationary state as 'imminent' and conceived economic growth as 'boundless'.

The purpose of M.A. Akhtar's 'Comment' on F.R. Kolb's article is to suggest additional explanations of the misinterpretation of Ricardo and Malthus, overlooked by Kolb. Akhtar finds three deficiencies in Kolb's argument. Firstly, he argues that most historians who confused Ricardo's abstract theoretical stationary state with an actual real-life state invariably believed that Ricardo's major contribution to economics was an abstract model. Secondly, to Akhtar there are some historians who are not guilty of this charge, but they considered Ricardo and Malthus as pessimists. Thirdly, he argues that a sort of stationary state is assumed in all past as well as present literature on growth theory. The use of an abstract stationary state by Ricardo and Malthus does not explain the pessimism attributed to them, and the error to reification is not a sufficient explanation of misinterpretation of Ricardo and Malthus.

In his brief 'Reply' to Akhtar's comment, F.R. Kolb notes that there is agreement that Ricardo and Malthus have been unfairly labelled 'pessimists'. He argues that the difference lay over a weighting of the causes behind the misinterpretation of Ricardo and Malthus. Despite Akhtar's argument, Kolb still holds that the reification of the concept of the stationary state is the process by which the misinterpretation of Ricardo and Malthus developed.

Austin Robinson's 'The Economic Development of Malthusia' notes that a fashionable view of Malthus is that he has been discredited by subsequent history. To Robinson this is a very dangerous half-truth, since Malthus argued that any country was faced with two alternatives: it must

either have a set of institutions, customs and practices which would limit population growth, or population would grow faster than production, income per head would remain at subsistence level, and equilibrium would be achieved by sickness, a rise of death-rates and other factors that he subsumed under the name of 'misery'. Robinson argues that the contemporary world could be divided into two halves: the developed and the undeveloped countries. Moreover, the developed countries had broken through the Malthusian barrier into accumulative growth while the underdeveloped countries lived under conditions of near stagnation, little above the subsistence level, very much as that envisaged by Malthus.

After providing a brief overview of Malthus's essential doctrines, he concentrates upon the problems of Bangladesh and its population increase, the difficulties of food supply, and industrial and demographic trends, in order to demonstrate that Bangladesh was a sad example of Malthusian poverty and near stagnation. In general, Robinson finds that the Malthusian population doctrine is most appropriate to the Asian situation and he concludes that the dilemma of population growth versus food supply is almost insoluble.

One important area of disagreement over Malthus's economic analysis, as well as his controversy with Ricardo over general gluts, centres around the importance he assigned to sticky or rigid money wages in his explanation of the upper turning point. L.A. Dow, in his 'Malthus on Sticky Wages, the Upper Turning Point, and General Glut', helps to clarify Malthus's views on the matter.

In the first part of the article, the author shows that Malthus had a consistent analytical explanation of the upper turning point, one far more general than just an explanation of the post-Napoleonic contractions. In fact, rigid money wages are an important factor in Malthus's accounting for the transition from expansion to contraction. The second part of Dow's article illustrates how the same sticky wages play an important role in Malthus's explanation of how the contraction, once under way, spread throughout the rest of the economy.

To Dow, Malthus's analysis of sticky wages provides an interesting anticipation of an important conclusion reached nearly a century later by means of Slutsky's indifference curve analysis.

In 'Malthus' Model of General Gluts', S. Rashid examines Malthus's thoughts on aggregate demand. He stresses that the most important point being made by Malthus, and the one that has received quite inadequate emphasis in the literature, is that in the short run the desires of mankind are easily satisfied and may be practically regarded as fixed. He claims that the hinge on which Malthus's entire model of gluts turns is the satiability of consumer tastes in the short run.

Rashid notes that the general gluts controversy was responsible for the refining and elaboration of classical theory. Rashid criticises the literature on Malthus and the general gluts controversy and claims that the lucidity and logical correctness of Malthus's arguments have not been adequately emphasised. He points out that Malthus can only be faulted for not

## 8 *Malthusian Economic Analysis*

having made a certain assumption on producers' expectations explicit. Finally, Rashid presents Malthus's argumentation (over) the model and the debate with Ricardo upon it.

In 'Malthusian Economics of Growth and Development: A Critique', G.P. Mishra contends that the main purpose of Malthus as a policy-maker was twofold:

- (1) To critically examine the Ricardian model of growth postulated for the working of the capitalist system of production.
- (2) To raise an alarm at the consequences that might outgrow in the capitalist economy from the operation of the model and outrage the capitalist system of production by creating a situation of 'glut' in the economy.

Mishra believes that the Malthusian economics of growth is basically Ricardian in typology but that of development is quite different. The Malthusian economics of development in fact analyses the policy implications of the Ricardian model of growth in the context of a market economy. To Mishra, Malthus anticipates the occurrence of 'glut' in the economy. In order to overcome this situation he [Malthus] suggested certain policy prescriptions and, in that respect, he may be claimed as the forerunner of the Keynesian and post-Keynesian theories of growth.

In 'The Gospel of Saving According to Reverend Malthus' K.K. Upadhyaya briefly juxtaposes the approaches of T.R. Malthus with those of the classical, neo-classical, Keynesian and the eclectic new economics on the role of savings. To Upadhyaya, this question has always been considered to be of great importance both for stability and growth of an economy. He argues that Malthus did not consider the inability of investment demand resulting from savings to find proper forms of investment goods as the problem, but rather the inability of consumption demand to equal the supply of consumption goods.

In 'Malthus's Theory of Gluts: A Political-Economic View', R. Khosla examines Malthus's theory of gluts in the light of the theory of gluts in general. Khosla suggests that Malthus's theory of gluts was intended to demonstrate not the possibility of a temporary short-period state of general overproduction due to lack of adequate effective demand but the impossibility of a smooth, 'hitchless' process of capital accumulation within the capitalist socio-economic system. He contends that Malthus's intention was to find out and suggest the conditions necessary for a continued growth in the wealth of nations. The economics of Malthus's theory of gluts was inspired by his class politics on the side of the threatened feudal class.

To Malthus, the necessary condition of capitalist reproduction was that the capitalist must be able to realise a greater value by the sale of his output than the value consumed in the production of that output. Khosla asserts that the main burden of Malthus's argument in his theory of gluts is that the aggregate demand for consumption goods is not likely to go on growing in pace with capital accumulation so that there is bound to

emerge a situation of inadequate effective demand. He discusses Malthus's argument that the necessary condition for a smooth hitchless process of capital accumulation and capitalist economic growth is that the aggregate expenditure in the economy must equal the sum total of wages plus the capitalist profits. In the last part of the article Khosla summarises the relevance of Malthus's economics.

In 'Relevance of Malthus to Developing Economy,' P.K. Sinha examines whether the Malthusian theory constitutes an internally consistent and logically valid conceptual scheme, and whether it is amenable to interpretation of events in a modern age. His article divides into three sections. The first section considers Malthus's theory of population in light of the present population explosion in most of the underdeveloped countries and its implications. The second section deals with the critical evaluation of his theory of effective demand. The third section attempts to integrate a Malthusian approach to modern problems.

Sinha feels that Malthus's attempt to show that the capitalist system was not self-equilibrating — and thus to appear critical of that system — is important in the context of modern problems inherent in the capitalist structure.

In 'Some Normative Aspects of the Malthusian Controversy', D. Levy argues that to reconstruct the normative aspects of the Malthusian controversy it is necessary to formulate a non-utilitarian model of moral judgement. Levy claims that Malthus found an anomaly in traditional morality such that, characteristically, it was not possible for a poor man to do his duty to both his children and to God. This anomaly forced Malthus to take the fundamental step in ethical radicalism: to choose among competing ethical systems.

Using diagrams, Levy presents how the cost of children can be modelled in terms of the consumption of corn forgone by the parents, including the influence of the Christian normative judgement as well as the short-run result of a communal system and the long-run equilibrium for communism and private property. Levy contends that he has found no evidence that Malthus was personally radical, although he emphatically rejected mechanical contraception, but this was for fundamentally paternalistic reasons.

In the 'Relevance of Malthusian Economics', A.K. Dasgupta associates Malthus's name with two theories and examines them. In the first he deals with the relationship between growth of output and growth of population. In the other, he deals with the issue of effective demand to show how overproduction and 'glut' may appear in the market causing depression and stagnation. He deals also with the theory of differential rent which is broadly connected with the theory of effective demand.

Dasgupta claims that today Malthus has come to occupy a position of pre-eminence for his contribution on the theory of effective demand, while his theory about the relationship between population and output is read in the developed countries as a part of the history of economic thought and is viewed in the developing countries as a picture of their destiny, should the growth of population in those countries go unchecked

by positive means.

Dasgupta is of the opinion that Malthus's stipulation that positive and moral checks of population are necessary if population grows faster than what is provided by the natural relationship for given output growth rate may well be one form of compensatory work needed for steady progress of the economy.

D. Jha's 'Relevance of Malthusian Economics' asserts that Malthusian theory was not only a comprehensive generalisation and one which covered not only the short-term issues. He argues that Malthus was influenced by such factors as the inflation caused by the Napoleonic war expenditure, the army of unemployed workers forced to seek employment in the new industrial centres associated with the technical changes of the agricultural and industrial revolutions, the post-Napoleonic war depression and the significant increase in population coupled with commercial competition between countries. Jha argues that it was Malthus's theory of population, his contribution to monetary analysis, his contribution to general theory and the controversy over general gluts which made him famous.

Jha argues that in his *Principles*, Malthus attempted to interpret Adam Smith by adopting the concept of value as the central theme. Jha argues that Malthus discarded the labour-quantity-theory of value, upheld by Ricardo, and adopted a supply and demand approach to value theory. Moreover he contends that Malthus could be credited with the introduction of profit as an element of supply and determining the value of a commodity.

In 'Relevance of Malthusian Economics', S.C. Joseph explores the relevance of Malthusian economics in relation to: (1) its theoretical significance in the evolution of classical, neo-classical and Keynesian economics; and (2) its practical relevance to the contemporary world. He views Malthusian theory as the outcome of a social process which involved incessant interaction between logically arranged ideas and chronologically arranged events. Joseph argues that at the theoretical level, Malthusian thinking dominated classical thinking and that Ricardo incorporated the leading aspects of Malthus into his theory of value. He contends that not only did the theory of population introduce an important law of the supply of labour into economics but that in Ricardo's hands it became an essential element in the determination of equilibrium.

The article 'Malthus's Theory of Effective Demand and Growth' by W.A. Eltis shows that a logically coherent theory of growth and development can be derived from Malthus's *Principles of Political Economy*. In the first part, Eltis presents Malthus's theory of fluctuations, while in the second part of the article he shows how the economy's maximum potential rate of growth is determined. Finally, Eltis then outlines the theory of effective demand. He sets out the links between the saving of the various classes, unproductive expenditure by the government and aggregate profits. This is concerned with the problem of how a lack of effective demand can produce near-permanent underdevelop-

ment. Eltis concludes that the theory of effective demand provides the true underpinning of Malthus's analysis of unproductive expenditure and it certainly represents a crucial part of Malthus's thought.

In 'Natural Prices, Market Prices and Effective Demand in Malthus', L. Costabile argues that Malthus's theory of effective demand gave rise to a multiplicity of modern interpretations. And yet, despite such interpretation, Costabile argues that Malthus's theory of prices has never been examined in detail as if his theory of effective demand could reasonably be separated from its micro-economic base. Costabile's article therefore attempts to restate the essential link which existed between Malthus's theory of prices and distribution and his theories of effective demand. More specifically, the article aims to illustrate the relevance and originality of Malthus's approach to the problem of 'gravitation' of market prices towards natural prices, which he analysed, so Costabile argues, on the basis of his theory of effective demand.

In order to sustain her argument, Costabile creates a simple model which attempts to integrate two sides and to demonstrate how the interaction between firms' microeconomic behaviour and the state of effective demand determines the level of income. The first part of the article deals with Malthus's theory of natural prices and distribution and shows that although his contribution to this field has been largely underrated, Malthus provided one of the most rigorous formulations of the classical theory of natural prices or prices of production, and distribution. Costabile argues that his contributions in this field are: the determination of natural prices; a solution to the classical problem of the 'measure of value'; a solution of the problem of the measurement of capital. Costabile provides a simple formalised exposition of Malthus's theory of prices and distribution, in an effort to demonstrate that it anticipated, in some essential aspects, the recent solution by Sraffa.

The second part of Costabile's article details Malthus's theory of effective demand and discusses his critique of Say's law. A simple model of income determination is presented which Costabile argues captures the link between Malthus's macroeconomic theory and his theory of prices. In this context, Costabile argues that the originality of Malthus's thought becomes apparent and his integration of price theory with the theory of effective demand represents a major enlargement for the scope of economic analysis, as compared to most of the other classic economists. Costabile stresses that the cogency and originality of Malthus's thought have not been fully appreciated. She offers the explanation as being due to the lack of a full consideration of his theory as a coherent whole.

Costabile concludes:

- (1) That as far as the theory of prices was concerned, the relationship between natural prices and market prices in Malthus's writing is formulated on a new basis by taking into account the influence of aggregate demand on prices.
- (2) Malthus provides a consistent analysis of the influence of aggregate demand on income distribution, whereas most classical economists



## 12 *Malthusian Economic Analysis*

denied the existence of such an influence because they had accepted Say's law.

- (3) Malthus has provided a sound theory of effective demand and, in his model, aggregate demand and supply were determined independently of each other, and the ex-post equalisation was the result of market processes.

In 'The Wage Path in Classical Growth Models: Ricardo, Malthus and Mill', S. Hollander establishes a diagram in order to set out the wage theories of Malthus, Ricardo and Mill. In this diagram, Hollander measures wages in commodity and not in value terms and throughout the article proceeds as if wage goods were a single good. After setting out the wage theories of Malthus, Ricardo and Mill, Hollander delineates the similarities and differences between the authors. He concludes that Mill and Malthus based their policy conclusions on a growth model which allowed for the effects of prudential population control on wages and was specifically designed to show how wages might be maintained, despite land scarcity, by due recognition of the alternatives to uncontrolled population growth and the depression of wages to some subsistence means.