

THOMAS ROBERT  
MALTHUS(1766-1834)

**Pessimist in the history of Economic Thought**

## The main works of Malthus are:

- 1) An Essay on the Principle of population(1798)
- 2) Principles of Political Economy(1820).

# Malthusian Theory of Population

The Malthusian theory discusses the relationship between population and food supply.

## Two fundamental assumptions:

- 1) Food is necessary human existence.
- 2) Passion between the sexes is natural and will remain nearly in its present state.

“The power of population is indefinitely greater than the power in the earth to produce substance for men.”

- 1) Population increases in a geometric ratio.(i.e. at the rate of 2, 4, 8, 16, 32, 64....)
- 2) Food supply increases only in an arithmetic ratio.(i.e. at the rate of 2, 3, 4, 5, 6, 7,8...)

## Two kinds of checks to population growth:

- Positive checks: war, famine, disease.
- Preventive checks: Moral restraint, Postponement of marriage and so on.

## Criticisms:

- Ratios have been proved wrong by history.
- The standard of living today is much higher than it was a century ago.
- Malthus has overlooked the possibility of scientific improvement in agriculture.
- Over emphasized the relationship between population and food supply.
- Every mouth brings with it a pair of hands.

- Malthusian theory of population:

Population increases  
at Geometric  
ratio(2,4,8,..)

Food Supply  
increases  
at Arithmetic  
ratio(1,2,3..)

IMBALANCE

CORRECTION

POSITIVE CHECKS  
(EARTHQUICK)

PREVENTIVE  
CHECKS(MORAL  
RESTRAINT)

## The Malthusian Theory of Gluts:

Malthus interested in the volume of output day by day in the real world. Malthus was of the opinion that the level of output of any time depended upon effective demand. He argued in the favour of unproductive consumption in order to maintain and increase effective demand.

## Other Economic views of Malthus

**Rent:** Rent arose because of the following factors

- These was shortage of fertile land
- This necessitated the cultivation of lands of inferior fertility.
- The produce in each case is sold at the natural or necessary price.

**Value:** Contribution of Malthus to the theory of Malthus is negligible.

## The Contribution of Malthus to Economic Thought:

- Founder of modern demography.
- It enabled Darwin to formulate history of natural selection.
- He may be regarded as one of the founders of historical economics.
- He has introduced a dynamic factor into economics.

- Forerunner of many under consumption theories of trade cycle.
- Understood the importance of the maintenance of the level of aggregate demand.

***THANK YOU***