

## Population in the classic economics

Adnan Doğruyol<sup>1</sup>

### Abstract

Growth subject in economics is an important factor of development. Classic economics ecole indicates the population as main variable which tender of growth. On the other hand T. R. Malthus is known as economist who regards population as a problem and brings up it among the classical economists. However, Adam Smith is an intellectual who discussed population problem earlier on the classic economics theory. According to Adam Smith one of the main factors that realise the growth is labour. In addition to population made it established. The aim of this study is analyzing the mental relationship between Malthus whose name has been identified with relation between population-growth and Smith who discussed this subject first time but put it off on process of theorisation.

**Keywords:** T.R Malthus, Population Growth, Economics, Classic Economics, A. Smith

### Introduction

Both in classic economics and the economics of today 'growth' is regarded as one of the most important elements for the completion of development. Classical economics and as opposed to it which preceded "Mercantilism gave importance to the issue of growth. The growth means "the increase in monetary wealth," according to Mercantilist; however, it means "the increase in net output" according to physiocrats. The subject of this article, the basic trinitities triple in classic economics A. Smith, D. Ricardo and T.R. Malthus point to the population as the main directive variable. The main problem in this study is the problem in the context of the growth in "Population", and Robert Malthus and Adam Smith's approaches to the problem.

Robert Malthus (1766-1834) is the first name coming to mind among the classical economists, when the matter is population. It is clear in the literature. However, Malthus was not the first, the thinker who saw the population as a problem before Malthus and contributed to set this matter as a problem to the theory of economics was actually Adam Smith (1723-1790).

---

<sup>1</sup> Asst. Prof., Sakarya Universty, Faculty of Economics and Administrative Sciences, [adogruyol@sakarya.edu.tr](mailto:adogruyol@sakarya.edu.tr)

It can be stated what lies behind the fact that Malthus' population is widely known on the fields of economics is its ideological and scientific influence of Marxism and Darwinism. When the population is the matter in classical economics, making a reference to Malthus within these two trends is an important factor in the general acceptance of (known) the approach. Therefore, non-economic factors also played an important role to make this approach widespread. However, it should be noted immediately that the basic parameters in the development of economics theory show the contrary of the general widespread approaches. In this respect, A. Smith is a main pioneer in the population – growth relation. According to Smith, one of the main elements to provide growth in economics is the manpower and its basis the population.

Adam Smith, pioneer man in the classical doctrine was influenced by studies of Aristotle philosophical. As a result of this effect, classical thought examines the society by classification. According to this approach, the analytical classes are "Working Class, the Landowners and Capitalists". According to the classical theory, these classes get a share from income, these income is known as; 'Wages, Rent, Profit or Interest'. It should be noted at this point, the concept of analytic classes in classical economics is a general concept related to Aristotelianism which doubtlessly serves a source to scientific categorization. As is known, Aristotle always classifies the concepts. Thus, the research could be carried out by limiting their scope. This is an effective method of research.

Population theory is affected by the work entitled "Justice Politics" which was written by of W. Godwin as a counter-view in 1793. In his book, Godwin states that nature can feed all living creatures and the practice of economic policies just increase the imbalance in society. However, Robert Malthus asserts that this approach is incorrect, the available resources are insufficient and he supported the opinion which is a well-known concept 'Law of Malthus'- "while the population increases in geometric proportion, the cereal products increase in arithmetic proportion."

It is a generally accepted classical theory. Nevertheless, one of the main parameters in the distribution of the proportions between the integrity of the economics theory and classes under the main categories of classical economics is the proportion that the labor class gets from the general one. This proportion is also one of the most important tools in classical analysis.

As it is seen so far, the main objective of this study is to foreground the thinkers who bring up the privileged position of the population growth analysis in the classical economics to the agenda for the first time. The mental relation between Malthus, identified with the population-growth relation and Smith, the first person to deal with this issue but later defers it in the theorization process will be discussed in this context.

At this point, it should be underlined that all the main objectives in this study are just hypotheses. Therefore, instead of making a research about the reasons, the scope of the study constitutes to put these hypotheses to the agenda and create a discussion. However it should be noted that, opinions about the reasons will be given as a summary in the second part of the study.

Based on the background and the main objectives of the study mentioned so far, the main questions (research questions) to be answered are:

1- How is the population factor dealt with in the classical economics? The answer will be related to the major thinkers of the classical economics Smith, Ricardo, and Malthus.

2 – By which thinkers was Malthus, well-known for his population theory, affected the most as opposing or similar views about the population? In other words, who is the unknown Malthus or what lies beyond his appearance?

Considering the first research question, in the first part of study a theoretical framework will be drawn for the relation between classical economics and the population.

Considered to have an effect on Malthus's ideas, the approaches of A. Smith about the population will be discussed and the relation between the opinions of these two people will be questioned to give the answer to the second question in the second part of the study.

### **1. "The population" in classic economics**

When it is classical economics, the trio of A. Smith, D. Ricardo and R. Malthus comes to the mind. It is for sure classical economics is not limited to these names. However, an important goal of the study is to demonstrate the subject of classical economics, so this trio can be given as an example to own the basic approaches. In this context, without chronological order, the population will be discussed by giving the views of first David Ricardo, then Robert Malthus, and finally Adam Smith.

It can be said that David Ricardo (1772-1823) is the most important representative of classical economics after Smith. Ricardo made his most significant contribution to the economics with his famous "RENT" theory. However, it should be stated that this theory indirectly (implicitly) refers to the theory of population (Gemahling: 1939).

As a matter of fact, the population structure of 19th century England awoke the whole academic and sensitive parts of the population; it forced them to say something.

Indeed, at a time when capitalism reached its peak, developments in both Britain and the world's population was on the agenda of major philosophers. The significant increase in the population in 16th century Europe started to stagnate and decline in 17th and 18th century except for England.

On the other hand, the population growth in the mid-18th-century was a widespread fact all over the world (Maillet, 1983: 74). Population growth phenomenon in England was an ongoing process for two-and-a-half-centuries. While the population of England was around 9 million in the 1700s, it increased to 12 million in 1750, then to 16 million at the beginning of the 1800s. During this period, while the world's population was 800 million in the early 1800s, it reached to 1 billion 100 million in 1850.

As the leader country in that period, Britain was a country which was on the focus of follow ups and studies in this field. In fact, the population problem of Britain even attracted the attention of the countries entering into the process of industrialization towards the mid-18th century (Heaton, 1985: 321). The three major thinkers whose views we have examined above made some assumptions from the data and observations related to England.

One of the most important spokesmen of the classical economists, David Ricardo states that the population will double in each period (twenty-five-year intervals) and as a result of this hunger and poverty will appear and he points to the phenomenon of population implicitly –as the basic parameter- while he constitutes about the Theory of Rent.

According to Ricardo, capital stock or labour employment capabilities which are crucial elements in terms of development are closely associated with labour productivity, ie, population factor. These can rapidly increase depending on equipment of the population in these fields. During the period in which the labour productivity increases, the stock is generally so quick that, the increase in the proportion of labourer falls behind the increase in the demand of capital.

According to Ricardo, when the conditions are appropriate, population will be double in every twenty-five years while the total capital of the country can double in a shorter time under appropriate conditions. When the conditions are like that, wages tend to increase during the given period. Since the demand for labour will increase more rapidly during labour. In the meantime, as the population increases, it should be considered that the prices of the basic needs will also continuously increase (Ricardo, 2007: 89-99).

Thomas Robert Malthus is known as a major representative of pessimism in classical economics. Malthus published his views for the first time on the economics entitled "An Essay on the Principles of Population (1789)" (Zeytinoğlu, 1980: 101). Before reading anything close to the views of Malthus's ideas, it is important to state that almost all of thinkers of classical economics believe "The Concept of Natural Order" of the French Physiocrat School (Ertuğruloğlu, 1972: 54).

By stating population always tend to transcend the level of subsistence in his work, Malthus indicates that the upward trend in population increases in accordance with geometric series

(2,4,8,16,64, etc); however, the agricultural products for feeding people increases in arithmetic series (1,2,3,4,5,6,7,8,..). Because of the upward trend of the population growth rate in these rates, he predicts that mankind will get quickly poor.

Known as the founder of classical economics, Adam Smith is like as if he sensed the theory of population and labor supply when he created the foundations of economic theory. These statements in his famous work "The Wealth of Nations" embody this situation: "...All animal types breed in raw feeding ratio. No animal species can breed more than that of. But food shortages in civilized societies prevent only the breeding of the human species in the sub-class. However, it is occurred by eliminating a large portion of the children born in productive marriages (Smith, 2006:87). According to these statements, wage limit of labor in the economics is determined by the size of the population. However, the increasing population lowers the limit of wages in a short time and therefore it will reduce the wages of laborers and workers. Smith's views on population will be addressed in more detail in the second part of this study.

All in all, if we make an overall assessment, as the classical economists have some oppositions and discrepancies in the matters of Labor, Rent and Capital that they deal with in the general analytical categories, it can be said (close to each other in expressions about labour and population) that the statements about Labor (manpower) and Population are quite similar. According to the classical economists regarded as the three thinkers, the supply of labour is connected to population and it is based on wage limit as an internal variable.

## **2. Malthus in Godwin and Smith's dilemma**

In his work entitled "Justice Politique" (Political Justice) published in 1793, British philosopher William Godwin (1756-1836) stated that the main reason of famine and poverty is "defective social institutions?" In his opinion, people are naturally good. Nature also has adequate resources for all people to live in prosperity. However, the current poverty of the people comes from social institutions, the property regime and the structure of the production system. Optimistic and hopeful for the future of societies, Godwin estimates that as time goes by people's needs can be met in exchange for very little effort thanks to the scientific and technical improvements.

Interestingly, regarded as "optimistic and utopian socialist" or "extremely individualist and anarchist" (Selek, 1973: 233), Godwin thinks that societies having high moral values will not fight against each other for wealth and gains. For him, property and inheritance rights are the rights that should be abandoned. Because these rights cause disparity between people and ultimately lead to misery of people. Once again, Godwin expressed that social welfare institutions should be

rehabilitated, and these types of organizations should be extended and the wealth (income) should be fairly shared (Kologlu, 1969: 76).

The discussions that these views were acceptable or not, troubled the British intellectuals and the public a lot.

However, England is a country where Poor Laws (Laws of Welfare) entered into force in the sixteenth century. With this law, the social welfare regarded as social responsibility (Lajugue, 1971: 27). Nevertheless, when this law was “re-revised” and came to the public agenda (Marx and Engels, 1976: 72), Robert Malthus also participated in the discussion and he published his work which would win reputation in 1793.

In his work, Malthus primarily puts forward the thesis that living beings on earth will increase in geometrical progression and agricultural products will increase in arithmetic progression as a natural law that we mentioned in the first chapter. Hence, he articulates the assumption that if no measure is taken, humanity will face with serious destruction and slaughter at the end of this process.

According to Malthus " each successive input unit tends to reduce the profit in agriculture” (Barber, 1991: 69)”. In other words, he accepted the existence of "law of diminishing returns" In his opinion, the population doubles every twenty-five years. By the way, it should be stated that this assumption is true for 19th century England.

For Malthus, the natural course of nature, wars, famine and epidemics at times are the stabilizing measures at this point. Malthus identifies a role to nature like Aristotle's teleological and also he indicates to the” Invisible Hand” like the first theorist of classical economics.

Basically Malthus's population thesis is based on two main hypotheses:

I. Firstly: People need food to live.

II. Secondly: the human population will increase just as any other living creatures.

The result of this hypothesis is that the population size is greater than the power of agriculture.

For him, geometric increase of population and arithmetic increase of agriculture is stated below:

" Population doubles the nutrients every twenty-five years. Accordingly, the ratio of population to the nutrients is in 225 years equals to ratio of 512 to 10; in 300 years equals to the ratio of 4096 to 13. In the span of 2000 years, there will be a significant increase in food production; however, the difference will almost be at immeasurable magnitude." (Selek, 1973: 236).

In light of these arguments, Malthus' approaches to population in the context of nutrients are very pessimistic. Since he is in favour of the natural order like his predecessors, the thinkers of the classical economics, he believes in the priority of natural law.

One important concept proposed in this study is that Adam Smith is invisible Malthus indeed.

In his book entitled "Wealth of Nations", Adam Smith is a thinker, who reached the same conclusions by sensing the Malthus's ideas on population? In his work, he mentioned that the population of Great Britain and other European countries would double, as a result of this the workers (ie labour factor) would be more than the natural demand and consequently the employers (industry bosses) would cut the fees to the lowest level of starvation line for mankind. When the limit is exceeded in the animal world, there are some examples about facing the misery and death. According to Smith all animal species, breed in the proportion of their usual means of diet. No animal species can exceed the natural limit.

Labour yield will make the labourers possible to marry and breed. In fact, ever-increasing demand on production can only be compensated with ever-increasing population. "However, the demand for people arranges the productivity of the people such as any other commodities. If it goes too slow, it will speed it up, otherwise if it goes very fast, it will slow down population growth." (Smith, 2006: 76-78).

As it can be understood from the statements above, the growing population lowers the level of wage rates after a short time; it levels the actual costs down the subsistence level.

## **Conclusion**

Many authors indicate that William Godwin affected Malthus. However Malthus' population law is a matter albeit irregularly mentioned previously by Smith and it is easily absorbed in the classical idea movement and it is examined comprehensively. (Barber, 1991: 61).

Except for some elements (production and under-consumption), Classical Economics Theory is almost similar in the main issues, particularly studied in classrooms (capital, labour, rent and classes equivalent for them). Great doyen of classical economics, Adam Smith died in the 18th century. He wrote his giant work "Wealth of Nations" in the same century in 1776.

He gathered the ideas of his predecessors and contemporary economists in his work with a great skill. Hutchison's and his close friend David Hume's effects on his ideas can be clearly observed. Also he owes so much to Turgot and Dr. Quesnay. Known as the liberal mercantilists, North, Petty, Child and Tucker's effects can be also observed. Despite he was defined as "the first of the biggest

eclectics” by some people, he barely referred to the authors he got the benefit of in his book (Savaş, 1997: 274).

The second name of the classical economics, David Ricardo had the assumptions that the land would gain value as a result of the ever-increasing population and the marginal areas would be opened to agriculture in order to feed the large proportion of the population while he was creating his “Rent Theory”. In addition, referring to the land with his definition of “Reduced Income”, he stated that soil fertility will decrease in time and after some time there will be increase in infertility.

It is certain that Robert Malthus developed his well-known assumption on population by getting inspired of his processors and leading thinkers. However, he expresses in the his proposition about the population that the moral restraints related to the level of civilization like "the protective limitations, the positive controls and preventive controls" will dominate in the modern civilizations. Although, he has doubts about the chance to practice the limitations within this context, he relied his political propositions on this kind of limitation. (Savaş, 1997: 348-349). However, related to his proposition about the limitation of the population as an economic policy, it should be stated he also made some proposals that was not against the natural order. So Malthus is indeed a thinker in harmony with the understanding of the natural order which is regarded as a presupposition by classical economists. Inherited from physiocrat tradition and continued by classical economists, the idea of natural order is sometimes openly, sometimes implicitly accepted by Smith, Ricardo and Malthus as a law.

It can be said that in Malthus a theoretical integration of parallel ideals gathered with a ball of ideas mentioned here. Malthus lived in the same period with Ricardo and continuously exchanged letters with him, it is impossible for him not to be affected by Adam Smith, the first doyen of this ideal. One of the contributors of the economic theories, Adam Smith had the pessimistic views about population and his pessimistic views were chronologically prior to Malthus. Therefore, the assumption that R. Malthus was affected by Adam Smith prior to William Godwin gains strength.

All in all, the first descriptions about population inherently were written by Adam Smith, it is not unknown Malthus or Godwin; but it is Adam Smith.

## References

- Barber, W. (1991), İktisadi Düşünce Tarihi, (Çev. İhsan Durdu) , Çıdam Yayınları, İstanbul  
 Ertuğruloğlu, M. (1972). Ekonomi Doktrinleri Tarihi, Ayyıldız Matbaası, Ankara  
 Gemahling, P. (1939) Büyük Ekonomistler (Çev. Zühtü URAY), Devlet Basımevi, İstanbul  
 Heaton, H. (1985) Avrupa İktisat Tarihi ( cilt 1 ), (Çev. Mehmet Ali Kılıçbay, Osman Aydoğmuş ), Teori Yayınları, Ankara  
 Koloğlu, M. (1969) Ekonomi Doktrinleri Tarihi, Doğu Matbaacılık Şirketi Yayını, Ankara

- Lajugie J. (1971) (Çev. Semih Tiryakioğlu), Ekonomik Doktrinler, Varlık Yayınevi, İstanbul
- Maillet, J.(1983) İktisadi Olayların Evrimi (Çev. Ertuğrul Tokdemir) , Remzi Kitabevi, İstanbul
- Marx, K. & Engels, F.(1976) Nüfus Sorunu ve Malthus (Çev. Oya Yaylalı) , Sol Yayınları, Ankara
- Ricordo, D. (2007).(Çev. Tayfun ERTAN), Ekonomi, Politığın ve Vergilendirmenin İlkeleri, Belge Yayınları, İstanbul
- Selek, M. (1973) 100 Soruda İktisadi Doktrinler Tarihi, Gerçek Yayınevi, İstanbul
- Savaş, V. F. (1997). İktisadın Tarihi, Liberal Düşünce Topluluğu Yayınları, İstanbul
- Smith A. (2006). Milletlerin Zenginliği, (Çev. Haldun Derin), İş Bankası Kültür Yayını, İstanbul
- Zeytinoglu, E. (1980). Ekonomik Doktrinler İİTİA Nihad Sayar Yard. Vakfı Yayınları No: 324–557, İstanbul, 1980.