Population Economics: Overview of T.R. Malthus and Modern Malthusians

- Malthus’ Law of Population: the growth of the human population is limited by the means of subsistence
- Two checks to population: the positive and the preventive.
  - The former include causes such as “…epidemics, wars, plague, and famine.”
  - The latter include human choices such as deferring marriage or birth control within marriage (by implication)
- Modern day Malthusians and the famous “Bet” (Ehrlich & Simon)

Economics and Population Studies

- Population and Economic Growth
  - Some see population growth as a deterrent to economic growth (Myrdal)
  - Other economists think population growth enhances economic growth (Simon)
- Population research today is now regularly examining population decline and its impact on social safety net systems

Proto-Austrian Economists and Population: Jean Baptiste Say and Frédéric Bastiat

- Jean Baptiste Say’s praise and critique of Malthus
  - Underscores the importance of human reason
  - Highlights danger of government actions impacting population
- Frédéric Bastiat: critical of Malthus, but defends him against his detractors
  - Emphasizes the importance of the division of labor
  - Like Say, has a high regard for human reason as a voluntary check to population growth

Early Austrians: Eugen von Böhm-Bawerk, and Friedrich Wieser

- Late 19th-century: decline in interest on population questions
- Böhm-Bawerk’s “indirect” assessment of Malthus’ law of population
  - The capitalist production process
  - Interest rates adjustments and their relationship to population growth
- Wieser’s agreement with Malthus
  - Special emphasis on population growth and the poor
  - Observations on technology and agriculture
• Second Generation Austrians: Ludwig von Mises and Murray Rothbard
  o Mises considers the law of population to be indisputable
    ▪ Connects the importance of private property to supporting a growing population
    ▪ Like Say and Bastiat, Mises emphasizes the division of labor in his analysis of population growth
    ▪ Places great emphasis on human rationality as a preventive check
    ▪ Comments on the danger of the state engaging in population control
    ▪ Acknowledges a theoretical optimum population under various circumstances
  o Rothbard’s three major contributions to the law of population:
    ▪ A theoretical “optimum” population is not practically important because that optimum is always changing
    ▪ Relative over or under population is not possible in a truly free market
    ▪ Coercive population control efforts defy both logic and history

• Conclusion: Implications of Austrian Insights
  o Optimistic antidote to modern-day Malthusians
  o Practical Example: China’s Elimination of One-Child Policy
    ▪ Too little, too late
    ▪ Potentially devastating economic consequences
  o Many state governments, private foundations, and non-governmental organizations push or impose population control
    ▪ Economic logic and history provide a basis to push back on such efforts
    ▪ Although there is a theoretical limit to population, a growing population implies a greater division of labor—a key cause of economic prosperity