

“Old and New Growth Theories: An Assessment”

**The new views on Malthusian growth:
A Reassessment of Malthus and Marx’s views on Population**

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Abstract

Demographic transition and Malthusian growth have started to become the focus of interest amongst scholars doing research on the theory of growth. Papers in economic growth that have explicitly related demographic transition and growth are Becker et al. (1990), Galor and Weil (1996, 2000) and Dahan and Tsiddon (1998)¹. In all these models education, human capital, and altruism play a preponderant role in decisions about fertility. These models are based on Malthus’ theory regarding fertility rate and growth.

Lately, a different approach has been developed to the factors that may explain demographic transition. Brezis (2001) shows that the interaction between different social classes is essential for understanding the demographic transition that took place in the 19th century.

Her model fits descriptive writings of the period, and especially those of Karl Marx, for whom the main elements of economic and social behavior, at this time were: Capital, Social Classes and the Labor Market. These three elements may provide an explanation for the observed pattern of fertility rates and industrialization.

The purpose of this paper is to focus on the different elements presented in Marx and Malthus and show that their divergence of views lead to two different ways today of modeling Malthusian growth. This paper will mainly focus on the divergence of view of these two thinkers on family and the labor market. It will be linked also to the notion of altruism inside the family, and

¹ See Morand (1999) as well.

show that there was over time a different perception regarding the place of children in the family. Indeed in the 19th century, Marx considered children a necessity for survival; they were an *investment/production* good. More precisely, the Marxist view suggests that the “proletarianization” of the workforce (a term coined by Tilly) brings on a fertility increase, since the working masses attempt to accumulate the one factor of production they do control - labor power.²

Contrary to this opinion, Malthus perceived children as a *consumption* good, on which models of fertility (starting with the works of Becker, 1960, 1988, 1990) have based altruism, and therefore assume that children are a *consumption* good. In this paper we will analyze the debate between these two lines of reasoning by means of a formal model which differentiates between the two views.

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² proletarianization is the shift from self-employment with control over means of production to working for others.

