

Growth and class conflict

Lecture 4 / September 29, 2026

01 Slides 1–28

Instructor copy. Suggested answers; accept equivalent explanations. Item labels match the lecture guide.

Thomas Robert Malthus (1766–1834) was a Cambridge-educated clergyman and professor of political economy. His first *Essay on the Principle of Population* appeared in 1798; a substantially revised edition followed in 1803.

A1 Who is in conflict?

Slides 4–5, 22–24

The first conflict concerns workers and the owners of production. The later conflict concerns two groups of property owners. Name the groups on each side.

	One side	The other side
Early focus	Laborers / workers	Proprietors / employers
Later focus	Landlords	Industrial capitalists

A2 Greater productivity, unequal gains

Slides 10–17

Capital accumulation directs resources toward **capital goods**, sometimes at the expense of current **consumption**.

Name one change in work or living conditions that helps explain workers' resistance even when total production rises.

Factory discipline, loss of control over work, monotonous tasks, low-paid child and female labor, or crowded and unhealthy cities. Higher total output need not improve each worker's life.

The Luddites resisted the **mechanization** of their trades.

A3 The Corn Laws

Slides 24–28; return to this on page 5

Restrictions on imported **grain / food** protected domestic agricultural prices. Complete the interests of each group.

Group	Why support or oppose protection?
Landlords	Support: higher agricultural prices support rents.
Manufacturers	Oppose: expensive food puts upward pressure on wages and costs.
Workers	Higher food prices raise the cost of subsistence.

Keep in view. A growing economy can still contain conflicts over who receives its gains and who bears its costs.

The population argument

Assumptions, arithmetic, and implications

02 Slides 29–38

B1 What can reform accomplish?

Slides 30–34

Thinker	Proposed route to improvement		
Condorcet	Welfare funds and regulation of	credit	.
Godwin	Reform or abolition of unjust	social institutions	, especially property relations.

Malthus's shared objection: even successful reform would confront the pressure of **population** on **food / resources** .

B2 Complete the deck's numerical example

Slides 35–37

Population starts at 100 and doubles every 25 years. Food starts at 100 units and rises by 50 units every 25 years. These are illustrative sequences, not historical measurements.

Year	0	25	50	75	100
Population	100	200	400	800	1,600
Food units	100	150	200	250	300

Population grows **geometrically** ; food grows **arithmetically** .

B3 What is the mechanism?

Slides 35, 38

Explain why these two growth rules put pressure on subsistence. Include the condition that makes the population projection apply.

If population grows unchecked, it multiplies while food adds a fixed amount. Food per person therefore falls in the example. Scarcity brings famine, disease, and other checks that prevent the unchecked path from continuing.

B4 Which assumptions can change?

Slide 35

The deck identifies limits to this simple model. Name one change in fertility behavior and one change in food production that could alter the projected outcome.

Fertility may change with development, higher wages, or women's employment. Agricultural innovation can increase food production faster than the assumed fixed addition. These changes alter the model's assumptions.

Keep in view. Separate the model's assumptions from the outcome they imply. The unchecked population path is conditional.

Checks and moral judgments

Explanation, prescription, and criticism

03 Slides 35, 39–44

C1 Two ways population growth is checked

Slide 35; examples in slides 38, 41, 43

Type of check	Demographic effect	One example from the lecture
Preventive	Reduces the birth rate .	Delayed marriage with restraint / abstinence.
Positive	Raises the death rate .	Famine or disease.

“Positive” here describes how the check operates; it does not mean desirable.

C2 Malthus’s preferred preventive check

Slides 39, 41, 43

His preferred response was **moral restraint** . Explain what that meant and why it should not be confused with his approval of contraception.

Delayed marriage and sexual restraint / chastity. Malthus morally opposed contraception and nonmarital sex, so a practice could reduce births without receiving his approval.

C3 A prediction and a moral judgment

Slides 38–44

Prediction: What does the population model say will happen if population outpaces subsistence?

Resource pressure produces poverty and suffering, with famine and disease checking population growth.

Moral judgment: What additional claim about the poor do the critical slides challenge?

That poverty shows moral inferiority or insufficient sexual restraint. That assigns blame; it is not established by the arithmetic of population and food.

C4 Why did this become an argument about relief?

Slides 40–44

Reconstruct Malthus’s worry about helping the poor, then give the critics’ objection.

He feared that relief would encourage population growth and restore scarcity. Critics object that this can blame poor people for institutional disadvantages and justify withholding help. The policy conclusion depends on the claimed population response.

Keep in view. A theory about scarcity does not, by itself, establish who deserves hardship or which policy is just.

Exchange, property, and rent

Does mutual benefit settle the question of distribution?

04 Slides 45–61

D1 Two starting points

Slides 46–51

In the deck's contrast, Smith asks how wealth is created through **production** ; Malthus emphasizes **exchange** . Malthus takes existing **property rights** as given.

D2 Each class brings something to exchange

Slides 54–55

Class	What it supplies	Income received
Laborers	Labor	Wages
Capitalists	Capital / tools / machinery	Profits
Landlords	Land	Rent

D3 The limits of the mutual-benefit argument

Slides 52–57

A worker accepts a low wage because unemployment would be worse. Why does this fact alone fail to establish that the distribution of income is fair?

Both parties can benefit relative to their alternatives while having unequal bargaining power or very unequal alternatives. The transaction does not explain or justify the initial ownership of land and capital.

D4 Why does land earn rent?

Slides 58–60

Classical rent is income from natural resources. Differences in land's **fertility** help explain rent. Malthus contrasts this with **monopoly** income.

How does he defend capitalists' profits?

Tools and machinery facilitate production and make labor more productive, so he regards the provision of capital as a contribution that earns a return.

D5 Explanation versus justification

Slides 55–61

Does explaining why a fertile plot earns income also establish who ought to own the plot? State the issue the critics want to keep open.

No. An explanation of rent does not settle the fairness of initial ownership, the distribution of property, or the power that ownership gives its holder.

Keep in view. Recognizing gains from exchange still leaves questions about property, alternatives, and the division of the gains.

Gluts and spending

How can an economy produce goods it cannot sell?

05 Slides 62–76

Historical context in the deck: the South Sea Bubble (1720) and the post-Napoleonic depression (1815–1820). These introduce the problem of economic crises.

E1 The demand problem

Slides 68–69

A general **glut** involves unsold goods and idle productive capacity. Effectual demand means willingness *and* **ability** to pay. The key concern is demand sufficient to sustain production at prices covering its costs.

E2 Who spends, and on what?

Slide 70

Complete the spending roles *as Malthus's argument is presented in the deck*.

Class	Characteristic spending
Laborers	Subsistence consumption; spend their income.
Capitalists	Capital accumulation; relatively little consumption.
Landlords	Consumption and personal services.

E3 Two channels from accumulation to difficulty

Slide 73

With existing methods, capital may grow faster than the supply of **labor**. With new labor-displacing methods, job losses can reduce workers' **demand**.

E4 Why favor landlords?

Slides 74–76

Malthus favors the **Corn Laws** partly because they shift income toward landlords. Explain the spending argument and Ricardo's objection to relying on "unproductive" consumers.

Landlords spend on consumption and personal services, sustaining demand. Ricardo disputes the need for unproductive consumers to rescue the economy; the issue is whether saving and accumulation can themselves sustain demand.

"Unproductive" is a classical category; it does not mean that services have no use.

E5 What remains unresolved?

Slides 75–76

State one issue the deck leaves open about how a glut persists or ends.

Whether price adjustment restores demand or a persistent output gap remains.

Modern comparison, slides 71–72. $Y = C + I + G + NX$ is a modern accounting identity. The deck uses it to compare spending roles; Malthus did not write a modern Keynesian model.

Keep in view. Population theory asks whether subsistence can keep pace with people. Glut theory asks whether spending can keep pace with production.