

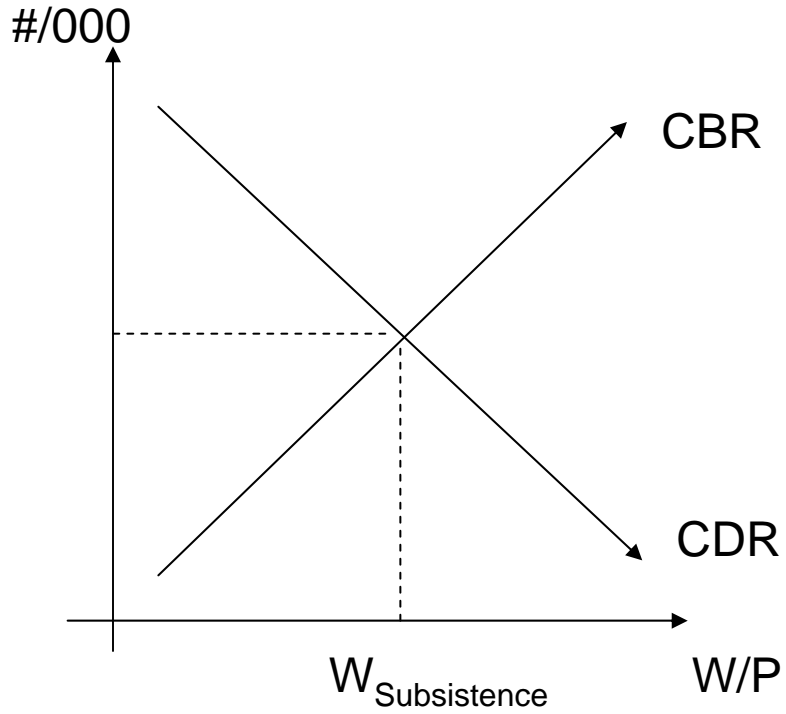
Topic # 2: The Malthusian pre-modern economy.

(*) Wrigley (1983), “Malthus’ Model of a Pre-Industrial Economy”, in Malthus Past and Present, Pg. 111-24.

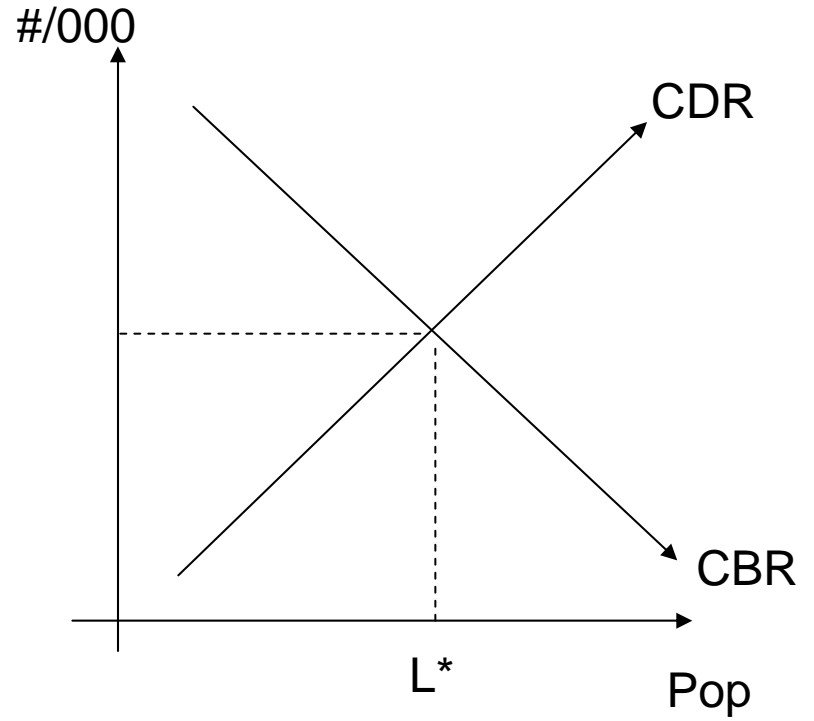
- Question: Was there economic growth before the first industrial revolution?
- Theory: Malthus' model of pre-modern growth.
- Evidence: Real wages and living standards.

- Malthus' Model:
 - o Structure
 - o Assumptions
 - o Diagrams
 - o Implications

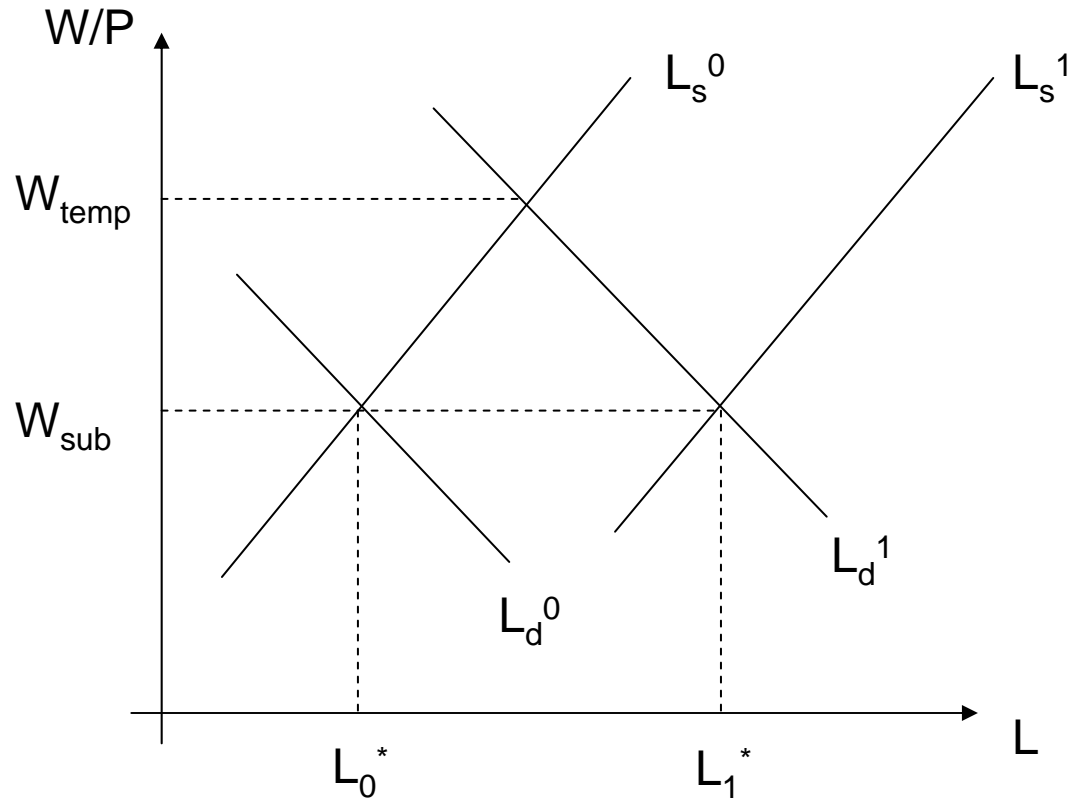
Positive and Preventative Checks



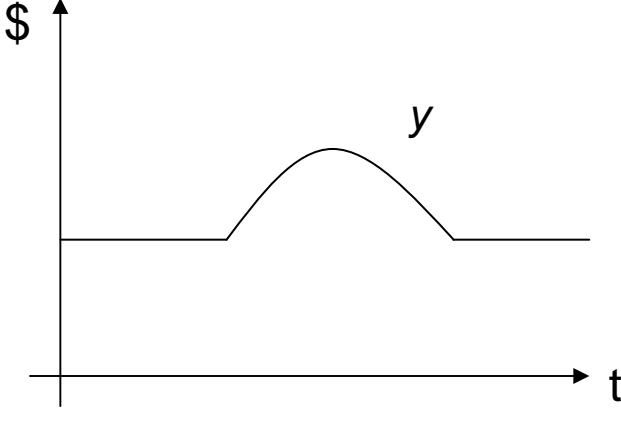
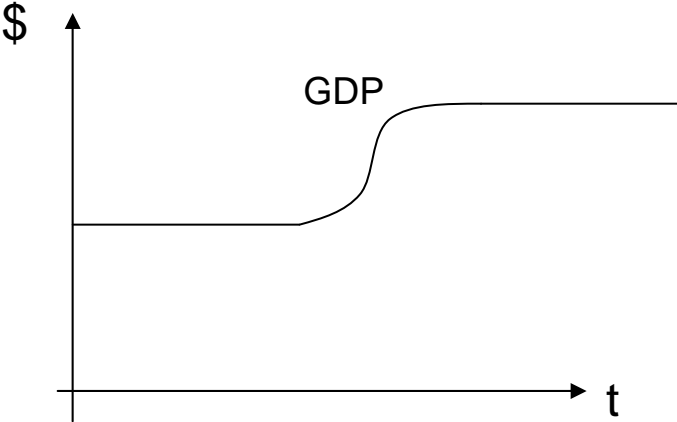
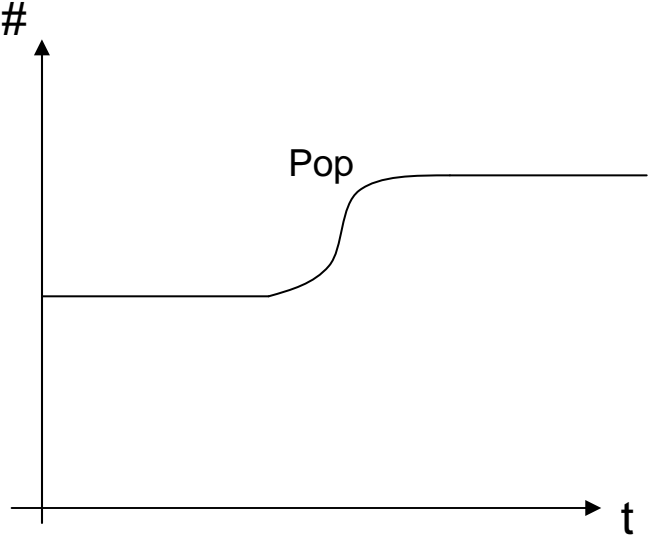
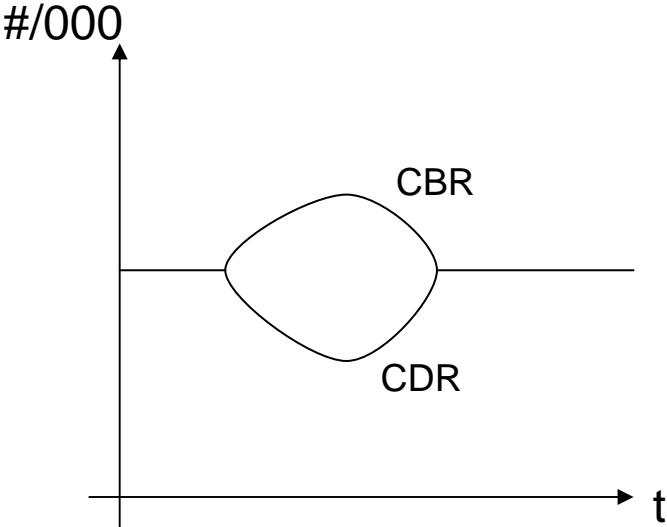
Demographic Equilibrium



Malthusian Labour Market

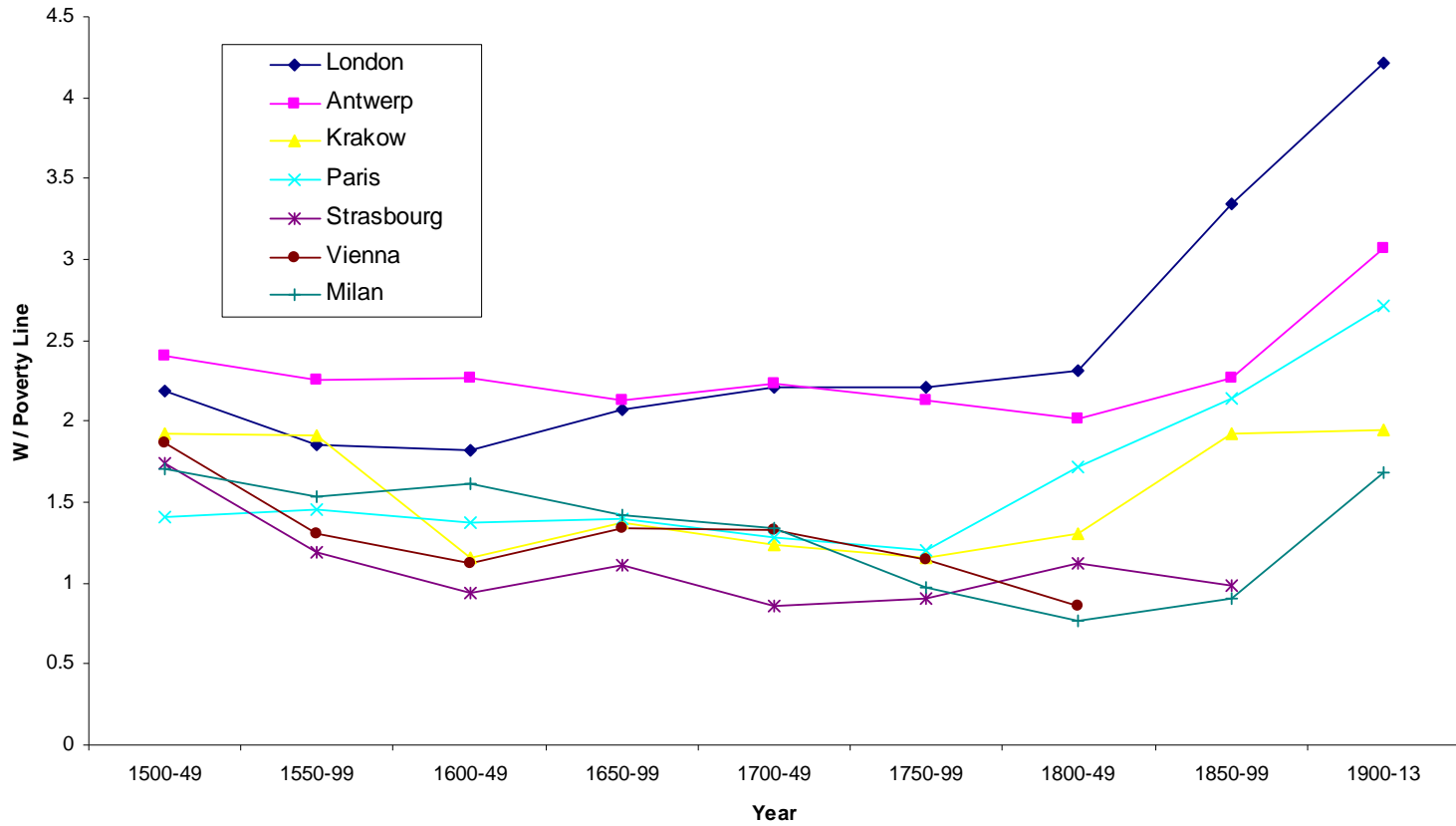


Transition Dynamics



- Evidence:
 - o Cross section variation in “subsistence” wages

Urban Building Craftsmen Real Wages (1500-1913)
Allen (2001), Table 5



Relative Real Income Per Capita

(2005 USD)

England (pre-1800)	100
Tanzania (2000)	20
Malawi (2000)	33
Kenya (2000)	54
India (2000)	110
China (2000)	157

Share Food Expenditure

	Cereal	Sugar	Animal	Alcohol
England (1400-49)	18.3	0.0	46.4	34.3
(1787-96)	60.6	4.7	28.4	1.3
India (1950)	83.3	1.6	5.4	0.8

Real Wages as Share Subsistence Budget

	1525	1625	1725	1825
London	4.75	2.95	4.05	3.85
Amsterdam	4.85	3.95	4.10	2.95
Florence	2.00	1.90	1.40	1.25
Beijing			1.35	0.95