Evaluating the Malthusian Model

How well does the model work?
In Short the Model Is Wrong

• This is not a question of whether Malthus is intrinsically right or wrong.
• It just doesn’t fit the facts.
• Economists use a simple standard: does the model make accurate predictions?
What have we learned?

• It does show us how to reason with a simple economic model.
  – A few simple assumptions and a graph to tie these together.
  – We cannot answer complicated questions such as how long it takes to reach equilibrium.

What have we learned?

• It does show us how to reason with a simple economic model.
• The test of any economic model must be: does it fit the facts?
  – No model fits perfectly, but this one is really bad.

What did Malthus Leave Out?

• Technological Change
• Capital. In Malthus’s day, only land and workers mattered.

End

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