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Born in 1936 Professor, Kokushikan University, Graduate School of Globalizing Asia. A member of the Japan Academy. Graduated from the Department of Economics, the University of Tokyo, March 1959. Entered the Graduate School of Economics of the same University, April 1959. Received the Degree of Master of Economics, March 1961. Completed the whole course of the Graduate School of Economics, March 1964. Received the Degree of Doctor of Economics, May 1975.

PROFESSIONAL EXPERIENCE:

Took a post of an assistant of the Department of Economics of the University of Tokyo, April 1964.

Promoted to an Associate Professor of the same Department, April 1966.

Promoted to a Professor of the same Department, April 1980, and was in that position until March 1997, then given a title of Emeritus Professor of the University of Tokyo.

Took a post of Professor of Economics at Kokugakuin University during April 1997 – March 2007.

Elected to be a member of the Japan Academy in December 2003.

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Did lectures as a Visiting Associate Professor and as a Fulbright Exchange Scholar at New York University and at New School for Social Research, January 1978 - June 1978.

Did lectures as a Visitor and a Visiting Professor at Queen Mary College in University of London. Did temporary lectures and seminars at various universities, including Universite Catholique de Louvain, and Tilburg University, April 1980 - October 1980.

Did lectures as a Visiting Professor at the University of Manitoba, July 1985 - August 1985.

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Reconsideration of ‘the Law of Population’ in Capitalist Societies

[JP] Makoto Itoh**I. A Rapid demographic change in Japan and other advanced countries**

Since the beginning of the 1970s Japan has experienced a rapid demographic change with a falling birthrate. It is generally assumed that an average birth rate per woman should be above 2.1 in order not to reduce the number of population in a society. In case of Japan the total fertility rate (an statistical average birth rate per woman) declined continuously from 2.14 in 1973 to 1.26 in 2005.

As a result, Japanese population began absolutely to decline after 2005, and is estimated to become one half of the current size by the end of this century. If the trend continues, it will go back to the size of population in feudal Edo period toward the end of the next century.

Also in most advanced countries, the total fertility rate, which was continuously above 2 until around 1970, began to decline below 2, and is causing a tendentious depopulation (but for an important exception of the USA among some others). Consequently, total population in advanced countries is estimated absolutely to decline from the middle of this century. Japan as well as Germany and Italy belong to a group among them where such a demographic change is most rapid. In another group of countries such as Russia, Hungary, Czech, Ukraine, Bulgaria, where transformation from a socialist economic system into a capitalist market economy was radically pushed forward, a similar demographic change has appeared rather more rapidly.

So long as population is the subjective foundation of any form of society, a demographic change for depopulation would surely endanger sustainable development and basic vitality of human society and economy. Especially as the proportion of number of younger generations declines in a society with the lowered average birth rate, the problems of the aging society with fewer children inevitably gather wide social concern. Indeed, various forms of pension schemes and other social security systems like medical insurance are seriously threatened. Already personal out-of-pocket expenditure for medical care costs has been increased successively from 10% to 30% since 1998 in Japan. The reduction of number of children threatens various levels of educational institutions, already enforcing closures among them. It would also diminish supply of labour-power, consumer demand and socio-economic vitality, leading further to a deeper fiscal crisis of the State.

How can we interpret such a demographic change in the light of basic theories of population in political economy as well as the actual historical demography in capitalist economies?

II. The natural law of population

In general, economic theories have tended to assume that the size of population in a society has a natural tendency to increase.

T.R.Malthus (1798) left strong influence in this regard. He argued that population grows in a geometric ratio as a natural law, much faster than the increase in production of foods in an arithmetic order, so as to make poverty inevitable. This argument intended to oppose Godwin's anarchical socialism, and to show that the Poor Law rather damaged welfare of whole society against its intention by adding to the pressure of increasing population. At the same time, he recognized that this fundamental trend is cyclically mitigated by the changes in the growth rate of population. For instance, increasing poverty among poor people would elevate mortality rate due to deficiency and disease resulting in restriction to the growth of population, and the consequent comfort condition among workers would then reduce such restriction to population again.

Malthus asserted a value theory stressing the role of demand, as well as a theory of overproduction in relation to effective demand, and underlined the role of consumption demand of unproductive landowner class. On these theories, he explicitly opposed to and debated with D.Ricardo, who followed A.Smith and believed in the working of adjustment mechanism between demand and supply in the market upon the ground of labour theory of value. Nevertheless, even Ricardo, at an apex of the classical school of political economy, concerning the law of population showed a theoretical recognition in effect remarkably close to anti-classical Malthus' view.

More specifically, Ricardo (1817) defined 'natural price of labour' as depending on prices of foods and other commodities necessary to maintain the life of a labourer and his family. When labour becomes relatively scarce, the market price of labour rises beyond its natural price. Then the circumstances of workers are improved and promote increase in population. Consequently the number of labourers will increase and thus their wages must turn to fall. When the market prices of labour thus becomes lower than its natural price, workers must be impoverished, and the poor circumstances necessitate decrease in the number of labourers, so as eventually to reverse the situation again. Ricardo thus assumed that the adjustment of demand and supply of labour is realized through fluctuation of absolute number of labouring population in accord with the fluctuation of market price of labour.

At the same time, Ricardo also projected a longer trend as follows. The supply of labourers, through the cyclical fluctuation, will tendentially continue to increase at the same rate with a natural advance of a society, while the rate of increase in demand for labour will decrease in accord with the rate of accumulation of capital. So far as the wages reflect the balance between demand and supply of labour, they tend to decline. Moreover, as a result of

the law of decreasing return of land, ground rent and wages have to rise due to rising prices of land products, but wages cannot rise in proportion to the prices of corn. Consequently, the circumstances of workers would generally go down in the long-term.

Neo-Malthusianism beginning from J.S.Mill followed the view that the pressure of natural law of increasing population beyond the pace of increase in production of foods and other necessities would necessitate surplus population and poverty, and argued for social necessity of birth control. More recently, the proposal of the Roma Club (the international policy advisory group among advanced countries) emphasized a similar position in its emphasis of urgent necessity of birth control especially in developing countries as a fundamental solution to the crisis of human being due to population explosion in relation to the limited natural resources and global environment (cf. Meadows, D.H. et al.1972). China's policy of one child for a family seems very much influenced by this flow of social thought.

In many development studies, in accord with Keynesian growth theory like in Harrod (1973), also continue to underline the pressure of natural increase of population as a most important factor of poverty and economic difficulty in developing countries.

III. Marx's capitalist law of population

Marx discovered the capitalist law of population as a socio-economic law historically specific to the capitalist society, and clearly stated that 'every particular historical mode of production has its own special laws of population, which are historically valid within that particular sphere. An abstract law of population exists only for the plants and animals, and even then only in the absence of any historical intervention by men' (Marx, 1976, p.784.). He opposed to the naturalist view of population after Malthus, and intended to treat the population problem in the historical and social contexts as an important topic in political economy.

In particular, chapter 25 (in the English version) 'The general law of capitalist accumulation' of the first volume of *Capital* concentrates on this issue. Marx defines there the organic composition of capital as the value composition between constant capital (c) invested in the means of production and variable capital (v) to employ labourers, or c/v , so far as it is determined by the technical composition of capital. The organic composition of capital is often called simply the composition of capital. Using this notion, Marx presents us the capitalist law of population as follows.

First, he analyses 'a growing demand for labour-power accompanies accumulation if the composition of capital remains the same' in the first section of chapter 25. The continuous growth of demand for labour-power eventually causes relative shortage of labour-power and a rise of wages. The resultant fall in profit rate would blunt the stimulus

of gain and capital accumulation. With stagnation of capital accumulation, labouring population is turned to excessive in relation to demand of capital again. Thus cyclical alternation of super-abundance and shortage of labouring population occurs as the capitalist law of population by the motion of capital accumulation.

After the second section of the same chapter 25, however, Marx stresses the incessant progressive elevation of composition of capital (c/v) due to technological innovation in the process of accumulation of capital and the resultant creation of more and more of relative surplus population with a pressure to increase misery among workers as the capitalist law of population. Although such a formulation of the capitalist law of population is inconsistent with other aspects of his theories which admit occasional labour shortage and possibilities for a rise in real wages either in the in the process of accumulation with constant composition of capital (in the first section) or in the process of increasing composition of capital (after the second section), Marx seems also trapped by Malthus' problem how to explain the pressure of surplus population as an actual serious social issue at his age.

Indeed, as he illustrates three concrete forms of industrial reserve army in the UK, the pressure of relative surplus population out of satisfactory conditions of employment was actually serious. However, except the first floating form of industrial reserve army to be absorbed or repelled in the centres of modern industry, the second latent form in agricultural peasant families and the third stagnant form in the handicraft type of urban small producers contained the social result of decomposition of pre-capitalist modes of production in the actual process of capitalist development. Though the second and the third forms were not totally relative surplus population created from the internal logic of capital accumulation, Marx was tempted to stress the theory of capitalist law of population to produce increasing pressure of surplus population in view of such miserable conditions of workers in the UK at his age. Besides, the role of fixed capital to prevent the incessant technological innovation especially in the phase of prosperity was not yet suitably considered in the theory of capital accumulation in the first volume of *Capital*, as the notion of fixed capital is introduced later in the second volume.

Thus Marx left us a problem how to unify and complete somewhat inconsistent theories of capitalist law of population. The Japanese Uno school has attempted to solve the problem by reallocating Marx's theory of capital accumulation with relatively constant composition of capital into the phase of prosperity, and the theory of accumulation with increasing composition of capital into the phase of depression, as the basic theory of typical business cycles (Itoh, 1988). Anyway, Marx demonstrated that the dynamic process of capital accumulation is the main factor for both cumulative generation of relative surplus population and its cyclical absorption and recreation.

On the other hand, he did not discuss much on the motion of absolute number of

population. However, he remarks that ‘although the absolute growth of the English population in the last half century has been very great, the relative increase or rate of growth has fallen constantly’ upon the ground of governmental statistics of population (Marx, 1976, p.802). He further quotes astonishing evidence of Dr. Lee, Medical Officer of Health of Manchester, stating that ‘the average age at death at the Manchester... upper middle class was 38 years, while the average age at death of the labouring class was 17; while at Liverpool those figures represented 35 against 15’, and points out there is a law of ‘rapid replacement of one generation of workers by another’ in accord to need of capital (ibid., p.795). Subsequently to this, Marx even formulates ‘the law of capitalist society’ that ‘not only the number of births and deaths, but the absolute size of families, stands in inverse proportion to the level of wages, and therefore to the amounts of the subsistence at the disposal of different categories of worker’ (ibid., p.796-97). Then in a footnote, he quotes A.Smith (1776) stating ‘poverty seems favourable to generation’, and S.Laing (1844) predicting that as misery tends to increase population ‘if the people were all in easy circumstances, the world would soon be depopulated’ (ibid., p.797).

These references and considerations are obviously presented as counter-evidences to the Malthusian natural law of population. At the same time, they can serve as interesting frames of reference for the very contemporary demographic issues on the relationship between the poverty and the explosive increase of population in many developing countries, as well as on the contrasting threat of depopulation among many advanced countries such as Japan, Germany and Italy.

IV. Historical significance of demographic changes under capitalism.

In retrospect, the population in the world and in each country began to increase rapidly when the capitalist market economy started by decomposing the communal traditional system to restrain the size of population. This gave a strong actual background for economic theories to assume an increasing population as a natural law. The decline of birth rate and transition to decreasing population with smaller number of younger generations in Japan and many other advanced countries despite of rather excessive nutrition with need of diet among people must seem completely anomalous from the view of such naturalist economic theories.

Marx’s attempt to theoretically analyze the demographic issues as a historic-social problem is definitely more relevant. His notion of ‘a law of capitalist society’ regarding contrasting birthrates and family sizes between poorer workers and richer bourgeoisie, for instance, is interesting in seeing the contrast between the population explosion in the poorer third world countries and the trend for depopulation in the advanced countries.

However, this notion cannot actually be applicable to the decline of birthrate in Japan

and other advanced countries. Since the living conditions of most of working population in Japan and other advanced countries have not been so easy and well-off as bourgeoisie. Their living and working conditions have rather become harder, more competitive, unstable and individualistic under the influence of spreading information technologies (IT). As IT automation systems enabled capitalist firms to mobilize more and more of female (often casual) workers into job places, without much reducing their burden of house work, late marriage and singles have greatly increased, by causing reduction of birthrate.

This is, in my view, a paradoxical result of success of capitalist economy to widen both the social scale of commodification of labour-power and the market for capitalist commodities. As capitalist economies in advanced capitalist countries like in Japan have grown by decomposing communal human relations more and more deeply, they have successively increased number of individual commodity labour-power, including more of female workers, they have also expanded consumer demand for products and services for individual persons. Atomistic individuals, not households, became more of real agents of both labour-market and consumer market.

Such a tendency of capitalist development in our age is a result of its long historical trend to decompose communal human social relations, beginning from the feudal agricultural village communities. In the historical process of expanding marketization of both labour-power and consumer goods and services, capitalist development then further decomposed communal family relations by reducing the typical size of a family containing three generations into a nuclear family of two generations, and now formation of a nuclear family itself has become harder. This trend relates to the basic historical nature of commodity economy, which as Marx pointed out originated from inter-social trading, and always tended to decompose communal social relations by penetrating into them from outside. Capitalism in our age of neo-liberal globalization has managed to push forward such a tendency to an extreme upon the ground of new IT technologies.

Schumpeter (1950) once argued that capitalism is withering away due to its very success in forming an automatic system of economic progress under bureaucratic management of big business, so as to lose innovative capitalist bourgeois spirit. Contemporary capitalism in not a few advanced countries shows a social crisis of decaying really due to its excessive success, though in a context different from Schumpeter's argument, in its historical working of decomposing communal human relations into individualistic market order. This shows one of most important contemporary manifestations of fundamental contradictions in capitalist economy regarding its essential precondition to treat more and more of human labour-power as commodity.

Marxian political economy should serve to present analysis of such a cotemporary deep demographic social crisis as a basis for social alternative solutions by reexamining the significance of Marx's formulation of capitalist law of population against the naturalist

theories of population either in Malthusian or in the orthodox economics.

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