

KREM, 2024, 2(1004): 5–19
ISSN 1898-6447
e-ISSN 2545-3238
<https://doi.org/10.15678/KREM.2024.1004.0201>

Classical Economists in the Face of the Old English Poor Law: Prejudice in Scholarly Clothes

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Suggested citation: Grzybek, D. (2024). Classical Economists in the Face of the Old English Poor Law: Prejudice in Scholarly Clothes. *Krakow Review of Economics and Management / Zeszyty Naukowe Uniwersytetu Ekonomicznego w Krakowie*, 2(1004), 5–19. <https://doi.org/10.15678/KREM.2024.1004.0201>

ABSTRACT

Objective: The purpose of this article is to identify the ideological functions of economic theory using the historical case of the opinions of classical economists on the poor law as an example (treating ideological sets of ideas as justifications for the social order).

Research Design & Methods: The research method adopted in this paper is an analysis of the text carried out in the context of its social function.

Findings: The article analyses some moral and social aspects of the emergence of economic theory and shows classical economists' criticisms of the Old Poor Law as rationalisation of social prejudices of upper classes of society. The essence of the discourse of mainstream economists has been to show low moral resources in the working class as the cause of poverty, together with the thesis that social assistance perpetuates this condition. The opposite of these theories were John Barton's arguments, portraying welfare as an investment in the moral resources of the poor, allowing them to return to the ranks of working people. This dispute was forgotten for many years, but seems still relevant in the 21st century context.

Implications/Recommendations: This paper supports the opinions of eminent scholars (like Blaug or Lindert) that the main problems with poverty are essentially the same in our times as in the 19th century. Blaming poor people for their poverty seems as familiar to us today as it was

two hundred years ago. Thus the issue of the welfare state is more moral and political than it is theoretical.

Contribution: This paper is a contribution to the identification of the role of social prejudice in the emergence of economic theory.

Article type: review article.

Keywords: classical economics, Poor Law, work incentives, class prejudices, interest groups.

JEL Classification: B12, N33, P16, H53, J88.

1. Introduction

The issue of public assistance for the poor ranks among the great debates in the history of modern social thought. The emergence of an economic theory that purports to be a science has not delivered a definitive solution to this question. The debate has seen a number of concepts present at the dawn of “scientific” economics repeated again and again. Questions were raised as to whether too generous aid to the poor would hinder economic growth or make beneficiaries lazy and unfit for work. Much thought was also put into the distinction between the deserving and the undeserving poor (Boyer, 2021, pp. 18–24). As Peter H. Lindert pointed out: “The eighteenth and nineteenth centuries had as much trouble with policies toward the poor as we do today. In fact, they had the same troubles, and the same opposing arguments came up” (Lindert, 2007, p. 39). Most classical economists strongly criticised public spending in support of the poor. Their position deserves to be studied as an example of using the authority of science in a matter of public interest. The debate about the Poor Law in the first half of the 19th century eventually led to it being changed. The British Parliament, representing only the propertied classes, passed the new Poor Law of 1834, substantially worsening the situation of the working classes (Boyer, 2021, pp. 37–43; Lindert, 2021, pp. 35–39). The debate about the Old Poor Law was extensive and the voices of economists were among many, but their influence on the fate of the Poor Law was significant (Poynter, 1969; Cowherd, 1977; Himmelfarb, 1985). In this debate, early economic theories were mixed with class prejudices.

In accord with long-standing opinions among the upper classes, in the past, many economists believed that poor people could become richer only if they were willing to work longer or more intensively. In other words, according to these opinions, a lack of willingness to work is a significant contributor to poverty. This assumption still exists today and is quite widely held, despite ample evidence to the contrary (Kim, 1998; Lindert, 2021, pp. 160–171). It seems that economists still struggle to recognise the social functions of their discipline. They, far too often, present the opinions of one side of the argument as the voice of science. Hence, the purpose

of this article is to identify the ideological functions of economic theory using the historical case of poor law reform as an example¹. This seems important in the context of the issue of social income distribution and income inequality, which is again becoming an important topic of debate in the social sciences. The research method adopted is an analysis of the text with a particular focus on its social function. The main result of these analyses shows some of the views of the early economists to be a rationalisation of attitudes widespread among the upper classes of society. The economic discourse allowed the propertied classes to assert their sense of moral superiority over the working classes. The essence of the discourse of mainstream economists has been to show low moral standards among the working class as the cause of poverty, together with the thesis that social assistance perpetuates this condition. So, the particular social function of classical economics was maintaining the class structure of society. Opposing these voices were John Barton's arguments, portraying public assistance as an investment in the moral development of the poor, allowing them to return to the ranks of working people with stable incomes. This strand of the discussion was disregarded some time ago and forgotten; today it seems the most relevant.

2. Economists and the Poor Law

The Old English Poor Law is usually understood to mean Acts of Parliament from the time of Elizabeth I passed in 1598 and 1601. These were supplemented by various legislation in subsequent centuries, but it was not until the law of 1834, often referred to as the "New Poor Law", that a fundamental change was brought about (Leonard, 1900; Blaug, 1963; Webb & Webb, 1963; Boyer, 1990, 2021; Lindert, 2007, 2021). The Old Poor Law forbade begging and vagrancy, but entitled the poor to receive public assistance at their place of permanent residence, while entrusting the care of the poor to the parishes of the established Church. Each parish established a fund for the poor and overseers to distribute aid and discipline the poor, the operation of the system at parish level was in turn controlled by justices of the peace (Webb & Webb, 1963, pp. 62–65; Slack, 1995, pp. 9–13). The Old English Poor Law represented the realisation of the great intellectual change in opinions about the poor that took place in the 16th century. The ancient Christian tradition mandated giving alms without demanding anything in return. During the Renaissance, however, the tendency to make the poor more productive began to prevail, demanding that they do something useful, banning begging and attempting to discipline them. Reforms in this vein were undertaken especially by municipal authorities, also by some rulers, and were made in both Catholic and Protestant countries (Geremek, 1997;

¹ By "ideology" I mean a set of ideas justifying social order; it is one of numerous definitions, but I suppose commonly used (cf. Gerring, 1997).

Kahl, 2005). England was the only country to establish poor law standards at the level of national legislation in the early modern era. Because it was a highly decentralised system dependent on local authorities for implementation, the forms of this assistance varied greatly and oftentimes practice deviated from legislation. England thus entered the industrial age with a welfare system providing public assistance to every poor person. Moreover, at the dawn of the industrial revolution, this assistance was intensified. In 1782, an amendment of the Poor Law known as the Gilbert's Act was passed. It allowed parishes to join together to form larger units to help the poor, and facilitated the payment of subsidies to the able-bodied poor (Slack, 1995, pp. 39–40). Another innovation was the so-called Speenhamland system, which was introduced on the initiative of local magistrates in 1797, without separate legislation by the Parliament. The essence of this was to ensure a minimum level of subsistence for all the poor, indexed to the price of bread. It also ensured that the working poor received public assistance (Cowherd, 1977; Boyer, 1990). The Speenhamland system was only applied in certain parts of the country, mainly in the south-east of England, where poverty among farm workers was particularly widespread.

The expansion of benefits under the Poor Law coexisted with the emergence of classical political economy. In the second half of the 18th century, British public opinion² took a noticeably kinder stance towards the poor than in earlier decades (Coats, 1960). Early political economy remained critical of the Poor Law, though not hostile. Adam Smith did not *a priori* reject the existence of the Poor Laws, he directly criticised them only once, and only in the context of restrictions on the movement of workers. Under British legislation, only those settled in a particular parish were entitled to assistance. The repatriation of unwanted migrants to their home parish was a significant practical problem associated with the operation of the Poor Law in the 17th and 18th centuries. Smith's criticism centred on the fact that impeding workforce mobility leads to unwelcome wage differentials, leading to inefficient use of labour resources. In places where wages were locally too high, a reduction in wages could lead to an increase in the amount of work done, so harmonising wage rates throughout the country could increase both employment and production (Smith, 1981, pp. 152–154). Indeed, in Smith's economics, the optimal use of resources requires full resource mobility and price flexibility. Across the economy, profit rates and wage rates for work of the same level of difficulty and inconvenience then balance out. Smith explicitly criticised only those effects of the Poor Law that led to a distortion of the price mechanism. Perhaps he expected that the undisturbed operation of market forces would, over time, lead to a solution to involuntary unemployment and render assistance to the able-bodied poor unnecessary. Presumably, in keeping with the humanitarian beliefs of his time, he was

² As a matter of fact it was the opinion of wealthy and educated classes of society.

not averse to assisting the poor unable to work. This seems to be the best possible explanation of Smith's position on the Poor Law (cf. Coats, 1960, p. 49). Whether the author of *The Wealth of Nations* was right about the facts is another matter, most likely he was exaggerating the limitations of labour mobility (cf. Hollander, 1976, pp. 259–262). While Smith was still alive, his position was criticised by advocates of the Poor Law from church circles (Poynter, 1969, pp. 5–6). They pointed out that the settlement regulations were enforced to a limited extent, as it was costly to send unwanted newcomers back to the appropriate parish and local officials were not very zealous in their work. Most likely, restrictions on labour mobility were of little importance in the economic life of late 18th century Britain.

Although Smith did not completely reject the Poor Laws, this can easily be done on the basis of Smithian economics. In line with Smith's argument, capitalists' savings are a source of capital, both constant and variable. The latter was understood as the stock of goods consumed by workers. In other words, in Smith's economics, the demand for labour depends on the amount of capital accumulated by capitalists. Hence, it is in the interests of the workers themselves that nothing should prevent the capitalists from accumulating profits, which are the source of the demand for labour. This doctrine was clearly articulated by Smith (Smith, 1981, pp. 86–87, 337–339). It is therefore legitimate to conclude that any outflows from the profit fund for purposes other than capital formation will reduce the demand for labour and, consequently, the income of the workers themselves as a class. Such conclusions can legitimately be drawn from Smithian economics, and indeed there has been no shortage of its proponents who have done so (cf. Townsend, 1971, pp. 20–23). However, it was Ricardian economics that provided the strongest arguments against the rights of the poor.

In the first decades of the 19th century, the dominant type of economic theory in British thought was Ricardian economics, which for a time dominated the thinking of British elites (Blaug, 1973). At its core was the belief that declining incomes in agriculture must lead to inevitable stagnation. The notion that food production capacity alone sets absolute limits to economic growth is absolutely correct, on a global scale it always remains true. However, the proponents of Ricardian economics were convinced that reaching these limits in their time was very close and could be achieved in their lifetime as a result of unstoppable population growth. The source of this belief was that their imagination was captured by the Malthusian theory of population. As Mark Blaug says: "To a generation drunk on Malthusian wine, the population argument seemed irrefutable" (Blaug, 1963, p. 153). It was fully accepted by Ricardo, who argued that it was not possible to sustainably increase wages beyond the natural level, since any such increase would multiply the number of surviving children of the working classes, which in turn would increase the supply of labour and inevitably bring wages down to the natural level (Ricardo, 1980,

pp. 94–96). The occupation of further parcels of land of decreasing fertility leads, in Ricardian theory, to an increase in the annuity from previously developed land. The share of annuities accruing to landowners in social income continues to rise while capitalist profits decline (Ricardo, 1980, pp. 112–127). As a result, in long-run equilibrium, wages remain at a level that only keeps workers alive, profits decline until new net investment ceases and landowners become the beneficiaries of social income distribution. The model leading to these conclusions was called the canonical model of classical economics by Paul Samuelson, attributing it to all classical economists (Samuelson, 1978). As a matter of fact, reasoning of this type can be found in the writings of all classical economists. However, the peculiarity of Ricardian economics was that its proponents comprehended the development of the market economy as a great race between declining returns in agriculture and technical progress which, by increasing productivity, diminished the prospect of long-term stagnation.

The concept of a natural wage equal to the cost of physical survival and reproduction of the workforce is found in Adam Smith, who, in turn, took it from Richard Cantillon (Smith, 1981, pp. 85–86). After all, Smith had not one concept of wages, but several. In addition to the argument about wage fluctuations around the subsistence level, we also find comments about the long-run tendency for real wages to rise and an argument about productivity growth as a result of rising wages, which can be seen as a precursor to the efficiency wage theory. Another strand in Smith's wage theory, on the other hand, was the idea of employers colluding against workers to minimise wages. Insofar as the consistent theory of natural wages prevailed within Ricardian economics, it happened under the influence of Malthus. The first version of *An Essay on the Principle of Population* in 1798 was a consistent theory of the population mechanism as an inevitable law of nature. People succumb to their natural urges and produce offspring even if there is no livelihood for new generations. The ensuing vice and misery as a result of overpopulation causes the population to fall below the limits of subsistence, with the result that the growth phase repeats itself until the next overpopulation phase occurs. As a result, humanity is doomed to perpetual fluctuations in numbers, with labour wages constantly hovering around subsistence levels (Malthus, 1798, pp. 13–15). In reference to the population cycle understood in this way, Malthus used the phrase “necessary oscillation” (Malthus, 1798, p. 153). In the first version of *Essay*, the possible beginning of the sequence of population oscillations looked very unclear. The second version of Malthus's *Essay* was, in fact, a completely new book, while the four subsequent editions published during the author's lifetime contained some minor alterations. In his “second Essay”, Malthus explicitly allowed for the possibility that moral restraint was a factor that could overcome the inexorable mechanisms of the Malthusian cycle. At that point, Malthus went from being

a naturalist to a moralist, arguing that the working classes could improve their situation by reducing childbearing through late marriage and avoiding extramarital sexual relations (Malthus, 1803, pp. 493–502). Presenting the question of working class income as a function of their moral condition was in line with the traditional prejudices that the enlightened portion of the upper classes had held for centuries. The portrayal of the lower classes (as well as non-European peoples) as “lazy” and incapable of rational action was an established tradition in European thought. It is worth noting that Smith avoided such opinions and spoke respectfully of workers. Malthus, on the other hand, rekindled the discourse about the “lazy” poor, adding a more scholarly justification for it. In fact, it was also a justification of the moral and political position of the upper class.

3. The Issue of the Poor as a Moral Problem

Malthus’s belief that reducing fertility was the best way to improve the situation of the working poor placed their moral values at the centre of the analysis. In this respect, the propertied classes tended to have the worst possible opinion of people from the lower classes. A common view in pre-classical economic literature was that too high wages make workers lazy (Johnson, 1937, pp. 287–288). The positions of Arthur Young, a contemporary of Smith, were representative of this. Young, author of extensive studies of English agriculture, maintained that it was not worth paying farm workers more than enough to survive, as too high wages took away their motivation to work (Young, 1771, pp. 319–320). Another influential author, Joseph Townsend, argued that only the threat of starvation was effective in encouraging the poor to work (Townsend, 1971, p. 23). He added at the same time that it made no sense to pay rates higher than the subsistence rate, as workers would waste them in alehouses, and a drunken worker could not be effective (Townsend, 1971, p. 30). There were also repeated complaints in 17th and 18th century literature about the demotivating effect of public assistance for the poor. All these themes can be found in Malthus, who, in keeping with the sentiment of the age, demonstrated that the hope of an allowance made workers lazy and reckless, and had a decisive influence on their unwise reproductive decisions. The solution to the problems associated with the poor was supposed to be the abolition of the (Old) Poor Law, especially the dependence of assistance on residence in the native parish. Agricultural workers looking for work where there is demand for it will improve their situation, and they will also be more likely to take steps to protect themselves against mishaps and illness. Instead, workhouses should be maintained for the extremely disadvantaged, to which all would be admitted, but they would have to endure hard living conditions and contribute as much work as possible (Malthus, 1798, pp. 95–99). This is how Malthus proposed to solve the problem of the poor in his first *Essay*. In subsequent editions of *An Essay on the Principle of Population*, Malthus consistently

called for the abolition of the Poor Law, this was to be done in such a way that once the relevant legislation had been passed by Parliament, those born after the set date were to be deprived of their right to assistance, while the previous beneficiaries were to retain it for life (Malthus, 1803, p. 538). In this way, public aid to the working poor was to be gradually phased out. Add to this the fact that in the first version of *Essay*, the author explicitly urged his readers to show contempt for the poor, since the shame of their own poverty was supposed to motivate the working poor to take action to improve their lot (Malthus, 1798, p. 85).

Ricardo took up Malthus's reasoning on the Poor Law, ensuring that it was the author of *An Essay on the Principle of Population* who demonstrated its deleterious effect on social well-being (Ricardo, 1980, p. 106). According to Ricardo, maintaining the Poor Law in a society where the population was increasing and the cost of production expressed in terms of corn was still rising, must eventually lead to a halt in economic growth, as most of the net income would be spent on benefits. Ricardo asserted that this reasoning was as certain as natural laws: "The principle of gravitation is not more certain than the tendency of such laws to change health and power into misery and weakness" (Ricardo, 1980, p. 108). In agreement with Malthus, Ricardo recommended the gradual abolition of the allowance system. He similarly believed that this would have a salubrious effect on the working classes. Namely, the revocation of public assistance entitlements was aimed at "teaching them that they must look not to systematic or casual charity, but to their own exertions for support, that prudence and forethought are neither unnecessary nor unprofitable virtues" (Ricardo, 1980, p. 107). Ricardo's successors applied an even more intrusive and superior theory towards the lower classes.

After the death of Ricardo, the most influential economist of the next generation was Nassau William Senior, the first Professor of Economics at the University of Oxford (Bowley, 2010). Senior was extremely sceptical of Malthus's theory of population, for he understood that developments had proven contrary to the strongest predictions of the Malthusian theory. In the third decade of the 19th century it became gradually accepted that the increase in actual wages did not lead to a significant increase in fertility among the working class. This was understood by Malthus himself, who acknowledged in his last works that an increase in workers' incomes could, under certain conditions, lead to a more frugal model of procreation. The *ad hoc* thesis he adopted was that such behaviour was encouraged by a constitutional and liberal political system (Malthus, 1836, pp. 226–228). Malthus, while retreating from the stronger version of his theory, did not, however, disavow the political conclusions he had drawn from it and, even in the last (sixth) edition of his *Essay*, invariably called for the repeal of the Poor Law. In his Oxford lectures, Senior made it clear that the Malthusian "trend" of exponential population growth was only a theoretical possibility which had never been and was not being realised

(Senior, 1828, pp. 13–14). He also noted that in an affluent society, people limit their childbearing by delaying entry into marriage as they seek to prevent a reduction in their own consumption (Senior, 1828, pp. 25–26). Despite the abandonment of the population bogeyman, Senior initially also supported the complete abolition of benefits for the able-bodied poor. His views on the issue of relief for the poor were contained in his 1830 pamphlet *A Letter to Lord Howick, on a Legal Provisions to the Irish Poor*, which also addressed other Irish issues. On this occasion, Senior made clear his thoughts about helping the working poor in general. The essence of Senior's argument is that excessively generous benefits for the working poor destroy the virtues that poor people need in order to be able to support themselves through waged work (Senior, 1831, pp. 24–25). In other words, Senior, in vague terms, but quite openly, returned to the thesis that only the fear of poverty would encourage workers to work productively. The Oxford professor's arguments reinforced the old prejudices of the upper classes.

4. John Barton – Forgotten Pioneer of the Welfare State

Among classical economists, the most prominent defender of the Old Poor Law was John Barton, who also remains the most underrated of this group. He is generally overlooked in works on the Malthusian controversy or the history of social welfare; historians of economic thought have been somewhat kinder to him. Barton was the author who prompted Ricardo to change his views on the impact of technological progress on employment and wages and, consequently, to include in the third edition of *Principles* the famous chapter “On Machinery” (Ricardo, 1980, pp. 386–397). Unfortunately, criticism from Barton did not induce Ricardo to modify his views on the Poor Law. This was to the clear detriment of the development of both economic theory and the political debate on social policy. Indeed, in his pamphlets Barton laid out an evocative refutation of the Malthusian theory of population and the consequent theory of wages, leading by a simple route to a rejection of the political conclusions drawn by Malthus, Ricardo and James Mill. It seems that Barton was the first to claim that the population growth that took place in the UK in the second decade of the 19th century was due to an increase in life expectancy, rather than an increase in the birth rate (Barton, 1817). Disproving influential economic theory with empirics was a major challenge for political economists. This could not have been overlooked by Malthus, who, after writing the first version of his treatise, had spent five years doing research to find data to substantiate his theory. In his 1820 economics textbook, he retreated from the thesis of the autonomous operation of the “Principle of Population”, acknowledging that sometimes an increase in wealth could lead to a decrease in the birth rate. In doing so, however, he still had a case against the Poor Law relating to the moral resources of the working classes. Since poor people lack industriousness, prudence and entre-

preneurship, only taking away public assistance will force them to be active and work effectively. Barton was the first economics writer to strongly oppose such judgements; moreover, he was successful in convincing some.

In an 1817 booklet entitled *Observations on the Circumstances Which Influence the Condition of the Labouring Classes of Society*, Barton challenged Malthus's theory of population on empirical grounds. Barton's main argument was that the population growth seen in the UK was due to increased life expectancy, not to an increase in the birth rate under the influence of rising wages (Barton, 1817, pp. 22–25). In the author's view, this was sufficient to reject the natural wage theory as it was conceived by Malthus (and by Ricardo whose *Principles* were unlikely to have been known to Barton at the time of writing the aforementioned pamphlet). It is worth adding that Barton's argument was well-founded but somewhat exaggerated. Human life expectancy was clearly increasing in the UK during the first two decades of the 19th century, yet the effect described by Malthus was also occurring. Another problem was that increases in life expectancy had stopped in the following decades, especially in great cities (cf. Szreter & Mooney, 1998). Indeed, careful demographic and historical research has shown that in the first decades of the 19th century there was still a positive correlation between allowances for the poor and birth rates (Boyer, 1990, pp. 150–172).

In his 1820 treatise *An Inquiry into the Progressive Depreciation of Agricultural Labour in Modern Times*, Barton firmly rejected the central argument of Malthus, Ricardo and Senior regarding the demotivating effects of the Poor Law. In Barton's view, the abolition of the Poor Law would significantly worsen the situation of the working classes, without any beneficial effects. Indeed, the prospect of a complete lack of assistance cannot motivate people to work and act more rationally. On the contrary, neither the experience of poverty nor the threat of such a condition makes a person more rational, foresighted and enterprising. According to Barton: "The pressure of want debases, stupefies and enfeebles, abates the quickness of the feelings, and relaxes the tone of the understanding. That comprehensiveness of mind which sacrifices present enjoyment to attain a distant good, dies under the harsh and stormy aspect of severe penury" (Barton, 1820, p. 31). In particular, this applies to the key issue, for Malthus and Ricardo, of working class reproduction. For a desperate man who sees no hope of improving his lot will not subordinate his natural instincts to calculation. On the contrary, poverty and lack of assistance result in an individual reverting to instinctive behaviour. It is therefore difficult to expect people living in poverty to restrain their sex drive (Barton, 1820, pp. 31–32). After all, coercion and brutal economic incentives cannot change human nature: "Schemes for terrifying men into prudence appear to me to be founded on a false view of human nature" (Barton, 1820, p. 88). In his claims, a British landlord from Sussex referred to some facts that can, from today's perspective, be considered an interesting natural experi-

ment. They concerned the poor belonging to the religious group from which Barton himself came, this was the Society of Friends (commonly known as the Quakers). Barton's Quaker affiliation is a somewhat complicated issue. His parents and wife were Quakers. However, he eventually left the Society of Friends. The reason for the dispute with the Quakers was Barton's payment of tithes to the official Church of England (Sotiroff, 1952, p. 88). When writing his 1820 pamphlet, Barton was still officially a Quaker. According to Barton, poverty amongst Quakers was much rarer than in British society in general. At the same time, the Quakers provided more careful care for the poor than the public authorities, not allowing them to be subjected to various humiliating official procedures. Despite clearly more generous aid to the poor, Quaker fertility rates were apparently lower than the average for British society (Barton, 1820, p. 36). There is no reason to doubt the reliability of Barton's observations, one can only wonder what other reasons made Quakers stand out for their wealth in Anglo-Saxon societies. Two of these can probably be identified – the ethos of work, which was particularly strong among Quakers, and informal business support within the small religious group.

Barton's argument forms a structure that can be called an anthropological case for an active pro-poor policy, or in today's terms for the welfare state. This leads to the understanding that solidarity and hope provide better motivation for work, entrepreneurship, and foresight than coercion and the threat of falling into poverty. According to Barton, fear may prevent people from committing crimes, but calculation and rational action are made possible by hope: "Prudence, with its kindred virtues, industry, frugality, and temperance, come of the family of hope, and not of fear" (Barton, 1820, p. 88). The essence of the difference between Barton and Malthus or Senior seems to reside in the fact that he regarded social assistance as an investment in the moral capital of the poor, whereas his adversaries believed that low moral standards were the cause of poverty and that social assistance made it impossible to develop them, only the threat of starvation could do so. Barton's views have a clear parallel in today's disputes about the incentive effects of social spending. On the one hand, "libertarians" still have a strong influence claiming that social spending discourages the poor from working and moral behaviour, while encouraging harmful behaviour (Murray, 1984). On the other hand, we have more and more evidence that a well-designed welfare state can keep the population in a state of high labour force participation and sustain its productive capacity (Lindert, 2007, 2021). The fact that both positions persist in the public debate more than two hundred years after the publication of Barton's pamphlets seems to indicate that the dispute over aid to the poor is one of values rather than facts.

Barton's pamphlets have not gone unnoticed by the political economics community. An author who switched to the side of the defenders of the Poor Law was James R. McCulloch, regarded as the leader of the Ricardians after Ricardo's

death. McCulloch was an influential man, the first Professor of Economics at the University of London and also the author of much of the writing on economic issues in the *Edinburgh Review*, expressing the opinion of the mainstream Wigs at the time. Initially McCulloch shared the views of Malthus and Ricardo on the issue of the rights of the poor, but around 1826 he clearly changed his approach to the problem (O'Brien, 2010, pp. 319–331). In an extensive commentary on the Poor Law issue in the *Edinburgh Review* of 1828, McCulloch concluded that their abolition was not necessary, it was possible to both balance the public finances and maintain an adequate supply of labour without abolishing them (McCulloch, 1828, pp. 325–326). Crucial to McCulloch's new position was the acknowledgement that rational and responsible behaviour is only possible in people who are provided with "tolerably comfortable circumstances" (McCulloch, 1828, p. 316). In contrast, the lower someone stands in the social hierarchy, the less calculation and foresight can be expected of them, including in the sphere of reproductive behaviour (McCulloch, 1828, p. 317).

5. Conclusions

Criticism of the Poor Law by classical economists consists of three main arguments. The first refers to the settlement provisions and points to restrictions on workforce mobility as a distorting factor in the price mechanism. The second is to recognise spending under the Poor Law as a reduction in funds for the employment of the workforce and, as a result, the income of the working people. The third refers to the thesis of the demotivating effects of benefits, which undermine the will to work, entrepreneurship, thrift and frugality in the working class. The first two derive from Smithian economics, the third is present in Malthus and proponents of Ricardian economics. The increasing use of this third argument demonstrates the clear penetration of upper class prejudices into the arguments of political economists. The contrast between Smith's view of workers and that of Malthus and Senior (Ricardo was more cautious in his judgement) is telling. Smith saw workers as fundamentally rational beings, yet with insufficient knowledge. Instead, Malthus, James Mill and Senior saw them as irrational and easily corrupted. With hindsight going back almost two centuries, we can say that both of these positions were based on equally amateur psychology. Smith, arguably, had too much confidence in human rationality, most Ricardians succumbed to class prejudices. Against this backdrop, one has to appreciate the reasoning of Barton who, referring to a still slim set of facts, came to a different conclusion, aided by slightly better psychological intuitions. Barton's speech was also not without influence on the debate among economists, influencing McCulloch and, perhaps, Senior. Although the classical economists abandoned the idea of completely abolishing the Poor Law,

they certainly favoured drastic reductions in funds to help the poorest members of society.

The New Poor Law of 1834 was passed after decades of public debate. Classical economists played an important role, although we cannot say that it was a decisive one. Poynter, the author of a monograph on this debate, chose not to give a clear conclusion on who contributed most to the final shape of this act. He emphasised the influence of Malthus and Bentham, but also the defenders of the rights of the poor from church circles (Poynter, 1969, pp. 324–329). Social policy historian George Boyer portrayed the 1834 reform as the result of a change in the attitudes of the large landowners controlling Parliament, with their influence outweighing the interests of tenant farmers and smaller landowners. In fact, most farmers were in favour of maintaining the Old Poor Law, as it ensured a stable supply of labour while minimising its costs. This is because, during periods of farm work, agricultural workers lived off their wages; during periods when demand for workers in the fields was low, their livelihood was ensured through benefits. However, the big landlords feared that increased spending under the Old Poor Law would reduce their incomes and reduce the value of their estates. Hence, they decided on the reform motivated by exaggerated expectations of its future effects (Boyer, 1990, pp. 265–267). It can therefore be concluded that the voices of classical economists influenced the Parliament's decision by fuelling the concerns of the major landowners who controlled the UK Parliament at the time. Boyer's arguments seem to model the social situation well, as well as providing a better understanding of the role of ideas in the debate on the reform of the Poor Law. Ideas are of great importance in the history of mankind, for they set the boundaries of what we are able to imagine, but their impact only becomes apparent when they are coupled with the interests of important social groups.

The 1834 reform changed British social policy for many years. The trend towards increased social spending resumed in the early 20th century. This time, however, state spending focused on supporting those with employment and stable incomes, with less care for the poor. The bad reputation of the Old Poor Law lasted even longer. It was not until Blaug's article which inspired further research, that these opinions were revised (Blaug, 1963). Most of the revisionist views have been confirmed (Boyer, 1990). The bad reputation of the Old Poor Law has resulted in the most interesting part of the controversy being completely forgotten. Barton's concept of social welfare as an investment in the productive capacities and moral resources of the poor is a precursor to the welfare state, and, it seems, enduringly relevant.

Conflict of Interest

The author declares no conflict of interest.

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